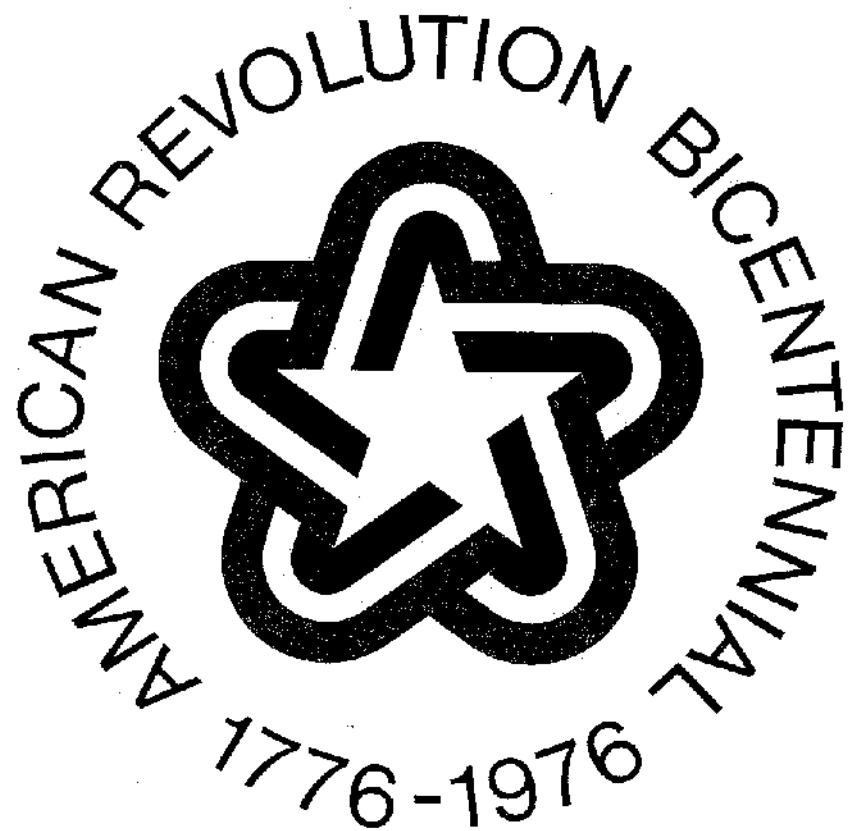


**STATE OF ALASKA**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**TEACHERS RETIREMENT SYSTEM**



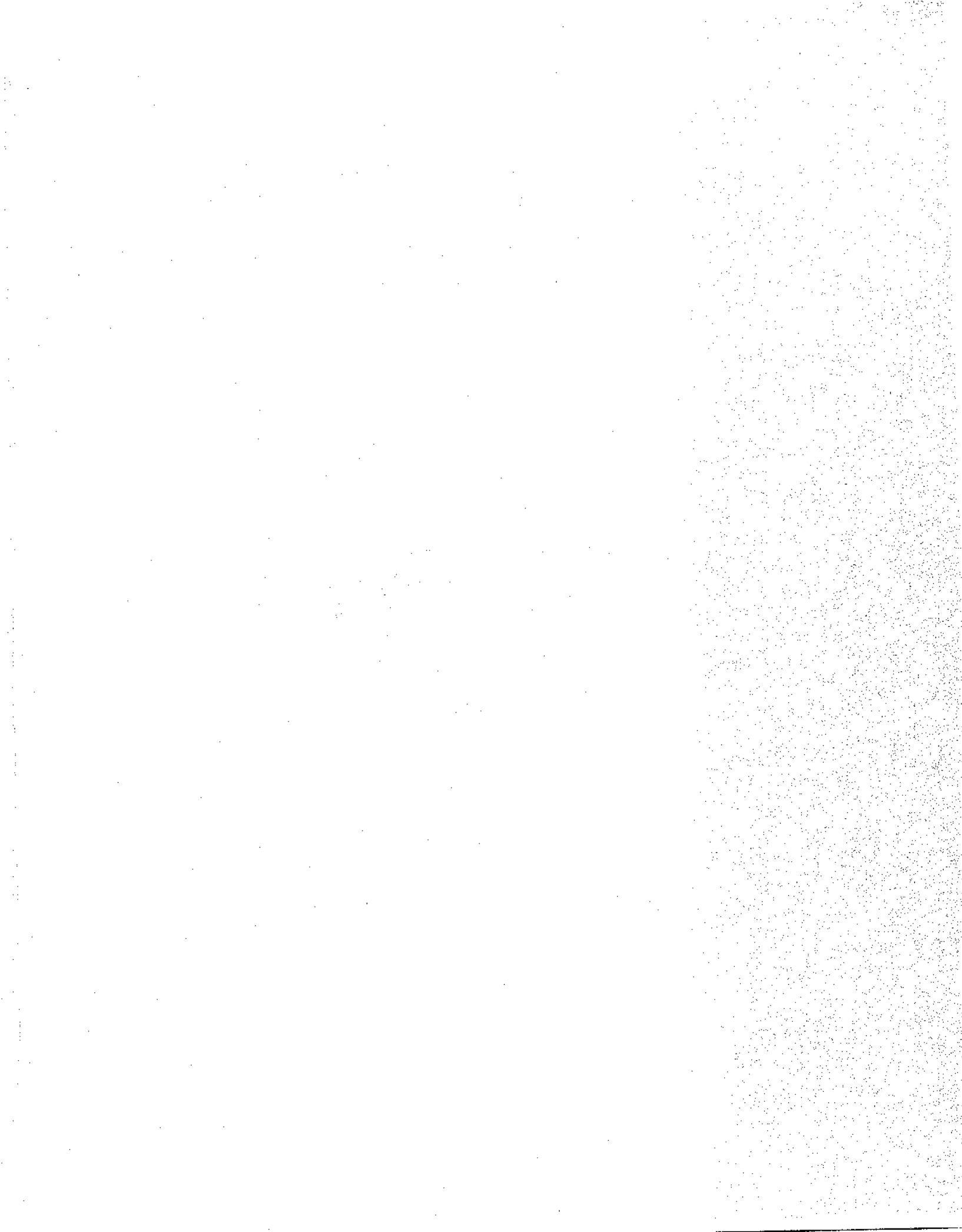
FISCAL YEAR ENDED JUNE 30, 1976



**JAY S. HAMMOND**

GOVERNOR

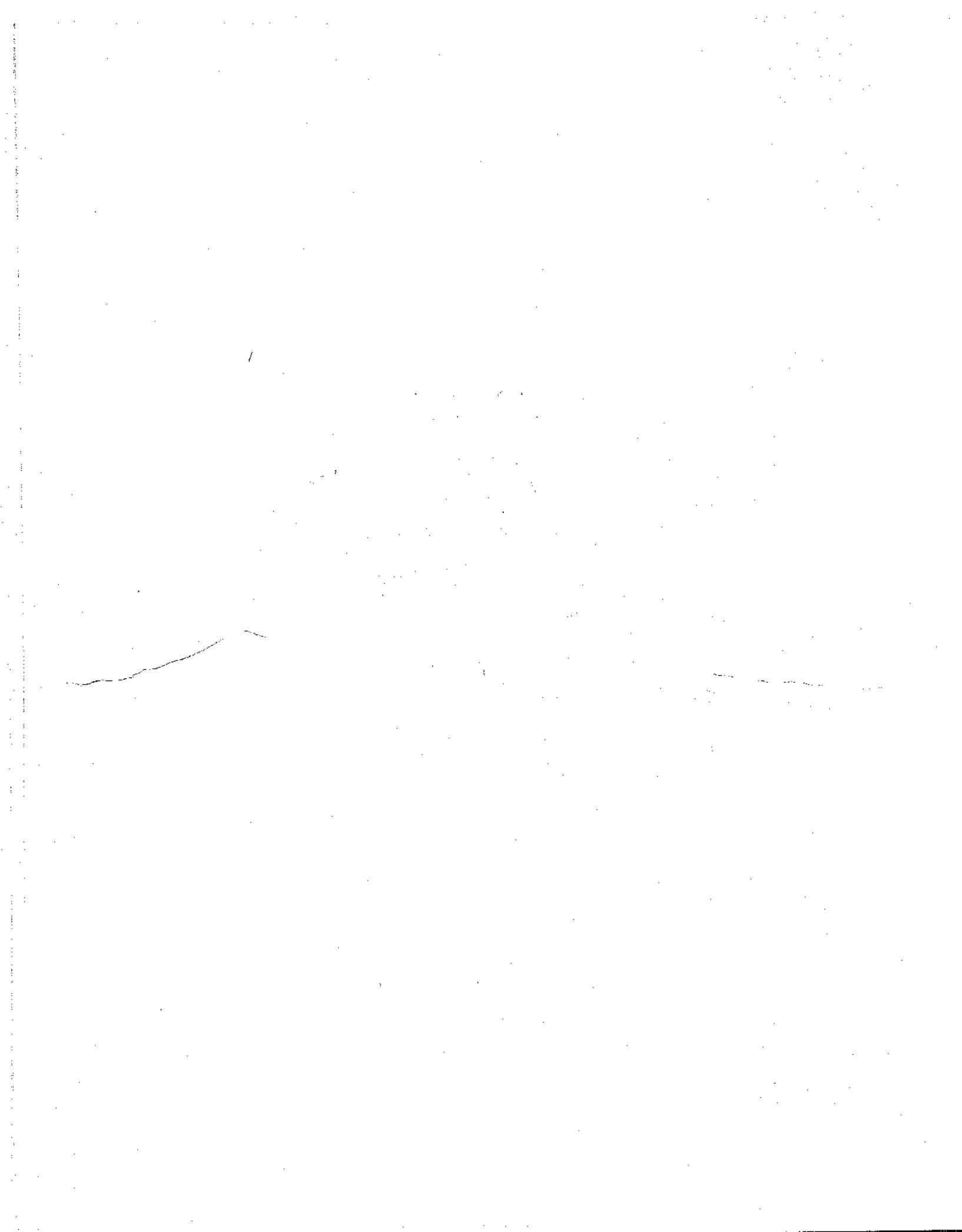
"1776 - A TRIBUTE FROM OUR STATE TO OUR NATION - 1976"



STATE OF ALASKA  
 PUBLIC EMPLOYEES' RETIREMENT FUND  
 TEACHERS' RETIREMENT FUND  
 Fiscal Year 1976

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STATE OF ALASKA

RETIREMENT FUNDS  
Introduction

GENERAL COMMENTS

The information presented in this report shows the results of operations and the financial condition of the two retirement funds for the fiscal year ending June 30, 1976.

The assets accumulated by these funds are used to provide retirement benefits for the members under the Public Employees' Retirement System and the Teachers' Retirement System.

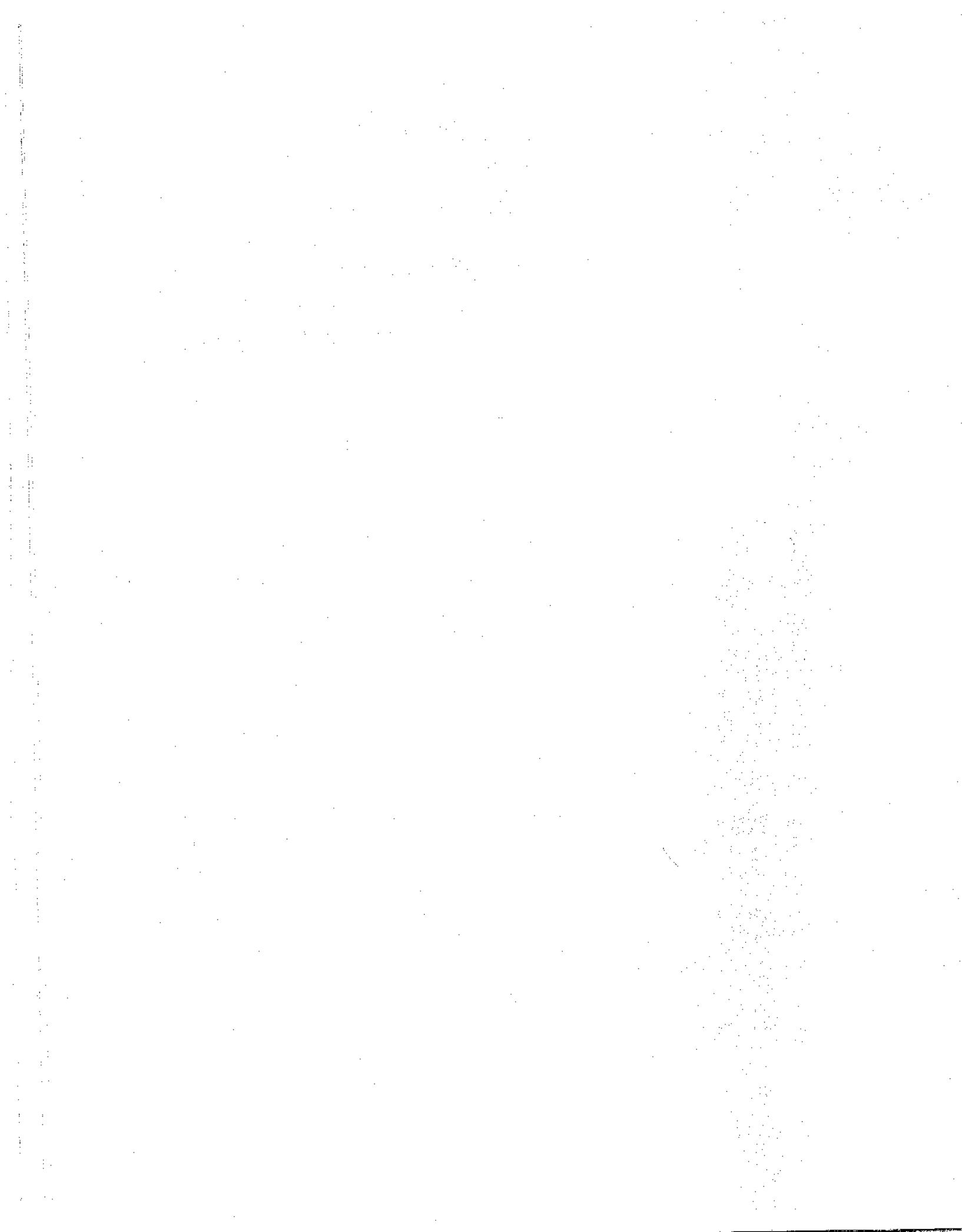
Assets of the Public Employees' Retirement Fund total \$141,988,644 as of June 30, 1976, an increase of \$34,432,308 over the preceding fiscal year. Assets of the Teachers' Retirement Fund amount to \$137,623,382 as of June 30, 1976, an increase of \$31,826,069 over the preceding fiscal year. The combined assets of both funds total \$279,612,026.

Both the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) are joint contributory systems with defined contribution and benefits. In PERS, peace officers and firemen contribute 5 percent and all other members contribute 4.25 percent of gross pay. Employer contribution rates in FY 1976 averaged 7.63 percent of gross pay in comparison with 6.13 percent in FY 1975 and with 10.43 percent in the coming FY 1977. Under TRS, members contribute 7 percent of base salary. The combined TRS employer and State Matching Contributions for fiscal year 1976 amounted to 13.64 percent of gross pay.

As of June 30, 1976 there were 43 participating employers and approximately 14,500 active members in the PERS. There were 36 participating employers and approximately 6,000 active members in the TRS.

During FY 1976, interest at the rate of 4 1/2 percent per annum was credited to TRS employees' accounts. This interest totaled \$2,069,390 as compared with the \$1,694,740 credited the year before. Members of the PERS earned interest at the rate of 2 1/4 percent compounded semiannually for a total of \$1,464,813 compared with \$1,161,159 credited during the previous fiscal year.

On June 30, 1976 there were 1,104 persons receiving benefits under the PERS as compared with 797 a year earlier and 684 persons receiving benefits under the TRS as compared with 586 a year ago. This represents an increase of 39 percent for PERS recipients and 17 percent for TRS recipients.



STATE OF ALASKA

During the fiscal year ending June 30, 1976, retirement benefits in the amount of \$4,842,542 were paid to PERS recipients, an increase of 72 percent above the \$2,810,322 paid out a year earlier. Fiscal year 1976 retirement benefits for TRS recipients were \$6,390,012, an increase of 40 percent over the \$4,574,494 paid the year before.

The average annual benefit received by PERS retirees was approximately \$4,386, whereas the average amount received by TRS retirees was approximately \$9,342. Similar averages for fiscal year 1975 were \$3,526 for PERS and \$7,813 for TRS.

STATE OF ALASKA

INVESTMENT COMMENTS

The economy of the United States during Fiscal 1976 experienced a moderate but significant recovery from the most severe economic slump since the 1930's. The moderate pace of the recovery led to a number of positive developments for all financial markets. This included a declining rate of inflation, increased corporate and bank liquidity, stable monetary policy, and initial actions by Congress to bring the Federal budget deficits under control. The capital markets responded to these developments with a steady increase in the value of outstanding stocks and bonds. Deep seated fears that there might be a resurgence of inflation cropped up from time to time resulting in the financial markets exhibiting a high level of volatility.

The Treasury Division in October, 1975, extended the maturity structure of the portfolio by purchasing long term bonds. This basic strategy was maintained as it became increasingly evident that both insurance companies and thrift institutions had large positive cash flows providing a significant supply of funds to meet the needs of both public and private borrowers. During the second half of the year, the investment strategy was to steadily reduce the market risk in the portfolio as interest rates declined causing outstanding bonds to increase in value. This was accomplished by swapping into higher quality securities with intermediate maturities.

During the year increased emphasis was placed on investments in Alaska mortgages. A total of \$20,000,000 was invested in mortgages for the two retirement systems. Scheduled repayments and prepayings amounted to \$4,900,000 for a net increase of \$15,100,000 in the mortgage portfolios. Rates received on the new purchases ranged from 9-1/4 percent to 12 percent. The average yield on mortgage investments was 8.70 percent.

The Treasury Division evaluates investment results using performance measurement techniques developed by the Bank Administration Institute. One of these measurements, called time-weighted rate of return which reflects both changes to market value and income, is used to gauge the performance of Alaska's retirement funds in relationship to other funds similarly measured.

In fiscal year 1976, the Public Employees' and Teachers' Retirement Funds achieved a total return of 8.27 percent and 8.62 percent, respectively. These results reflect a continuing recovery of market value in the common stock and fixed income segments of each portfolio.

STATE OF ALASKA

The following table displays the returns achieved on the various portions of each of the two Statewide retirement funds as well as the comparable returns of the median and top quarter of the population of funds measured by the A. G. Becker Securities Corporation.

**Public Employees' Retirement Funds**  
**Time Weighted Percentage Rates of Return**

	<u>Income</u>	<u>Appreciation</u>	<u>Total</u>
Fixed Income	7.32	1.37	8.70
Common Stock	2.78	3.80	6.58
Total Fund	6.58	1.69	8.27

**Teachers' Retirement Fund**  
**Time Weighted Percentage Rates of Return**

	<u>Income</u>	<u>Appreciation</u>	<u>Total</u>
Fixed Income	7.50	0.37	7.86
Common Stock	2.88	10.95	13.83
Total Fund	6.60	2.02	8.62

Comparative Performance from Becker Population

Top 25% Fund      Median Fund

Fixed Income	10.44	8.97
Common Stock	11.57	8.07
Total Fund	10.89	8.38

Indices

Standard and Poor's 500 Stock Average	14.03%
Corporate Bond Index, Kuhn Loeb	12.90%

The following tables display the cumulative time weighted rates of return for the past four years for each retirement fund.

STATE OF ALASKA

Public Employees' Retirement Fund  
 Annually Compounded  
 Time-Weighted Rates of Return

	<u>1976</u>	<u>1975</u>	<u>1974</u>	<u>1973</u>
First Year	8.27	11.02	-4.65	1.99
Second Year	9.64	2.89	-1.39	
Third Year	4.65	2.59		
Fourth Year	3.98			

Teachers' Retirement Fund  
 Annually Compounded  
 Time-Weighted Rates of Return

	<u>1976</u>	<u>1975</u>	<u>1974</u>	<u>1973</u>
First Year	8.62	13.98	-3.83	3.15
Second Year	11.27	4.69	-0.40	
Third Year	5.99	4.18		
Fourth Year	5.27			

An important difference between the time-weighted return calculation and the more traditional approach often called the realized income or accounting income method is the treatment of gains and losses in the market value of securities. The accounting or realized income approach recognizes capital gains or losses only at the time securities are sold or mature. This method is used to calculate the net income reported on the funds operating statement.

The time weighted rate of return measurement in contrast reflects the portfolio's unrealized changes in market value over the year. The gain or loss in market value is evaluated monthly by the performance measuring system and is calculated as a positive or negative percentage. These monthly rates are combined to form annual and compound annual returns.

Over a long period of time these different calculations of rates of return should produce similar results. However, for annual periods and particularly during periods of high inflation the time-weighted return more accurately reflects actual investment results.

STATE OF ALASKA  
RETIREMENT FUNDS  
Combined Balance Sheet  
June 30, 1976

<u>ASSETS</u>	<u>Total</u>	<u>Public Employees' Retirement Fund</u>	<u>Teachers' Retirement Fund</u>
<b>Current Assets</b>			
<b>Investments:</b>			
Short Term Debt Issues	\$ 28,268,150	\$ 14,292,898	\$ 13,975,252
Fixed Income Marketable	121,200,576	61,226,194	59,974,382
Loans and Mortgages	75,527,093	39,563,725	35,963,368
Common Stock Account	52,505,766	26,555,033	25,950,733
Total Investments	<u>\$277,501,585</u>	<u>\$141,637,850</u>	<u>\$135,863,735</u>
<b>Other Current Assets</b>			
Cash Pending Permanent Investment	<u>\$ 2,110,441</u>	<u>\$ 350,794</u>	<u>\$ 1,759,647</u>
Total Current Assets	<u>\$279,612,026</u>	<u>\$141,988,644</u>	<u>\$137,623,382</u>
<b>EQUITIES AND RESERVE</b>			
<b>Equities:</b>			
Employees' Equities	\$ 95,461,025	\$ 36,754,756	\$ 58,706,269
Employers' Equities	<u>\$133,680,412</u>	<u>\$ 77,739,380</u>	<u>\$ 55,941,032</u>
Total Equities	<u>\$229,141,437</u>	<u>\$114,494,136</u>	<u>\$114,647,301</u>
Retirement Reserve	<u>\$ 50,470,589</u>	<u>\$ 27,494,508</u>	<u>\$ 22,976,081</u>
Total Equities and Reserve	<u>\$279,612,026</u>	<u>\$141,988,644</u>	<u>\$137,623,382</u>

STATE OF ALASKA  
 RETIREMENT FUNDS  
 Combined Statement of Operations  
 For Fiscal Year Ended June 30, 1976

	<u>Total</u>	Public Employees' Retirement Fund	Teachers' Retirement Fund
Beginning Equities and Reserve July 1, 1975	\$213,353,649	\$107,556,336	\$105,797,313
Additions:			
Employees' Contributions	23,938,251	12,348,074	11,590,177
Employers' Contributions	42,060,994	22,712,558	19,348,436
Interest Earned on Indebtedness	390,999	21,464	369,535
Net Investment Income	17,608,819	8,367,857	9,240,962
Total Additions	<u>\$ 83,999,063</u>	<u>\$ 43,449,953</u>	<u>\$ 40,549,110</u>
Beginning Balances and Additions	<u>\$297,352,712</u>	<u>\$151,006,289</u>	<u>\$146,346,423</u>
Deductions:			
Administrative Expenses	\$ 822,802	\$ 416,384	\$ 406,418
Employees' Contributions and Interest Refunded	5,685,330	3,758,719	1,926,611
Retirement Benefits Paid	11,232,554	4,842,542	6,390,012
Total Deductions	<u>\$ 17,740,686</u>	<u>\$ 9,017,645</u>	<u>\$ 8,723,041</u>
Ending Equities and Reserve, June 30, 1976	<u>\$279,612,026</u>	<u>\$141,988,644</u>	<u>\$137,623,382</u>

STATE OF ALASKA

P U B L I C E M P L O Y E E S'

R E T I R E M E N T

F U N D

BOARD MEMBERS

<u>Name</u>	<u>Term Expires</u>
C. R. "Steve" Hafling, Chairman	June 20, 1978
Robert L. Anderson	December 14, 1978
Ronald M. Henry	June 20, 1982
Norman J. Levesque	October 26, 1977
Morgan W. Reed	June 20, 1980

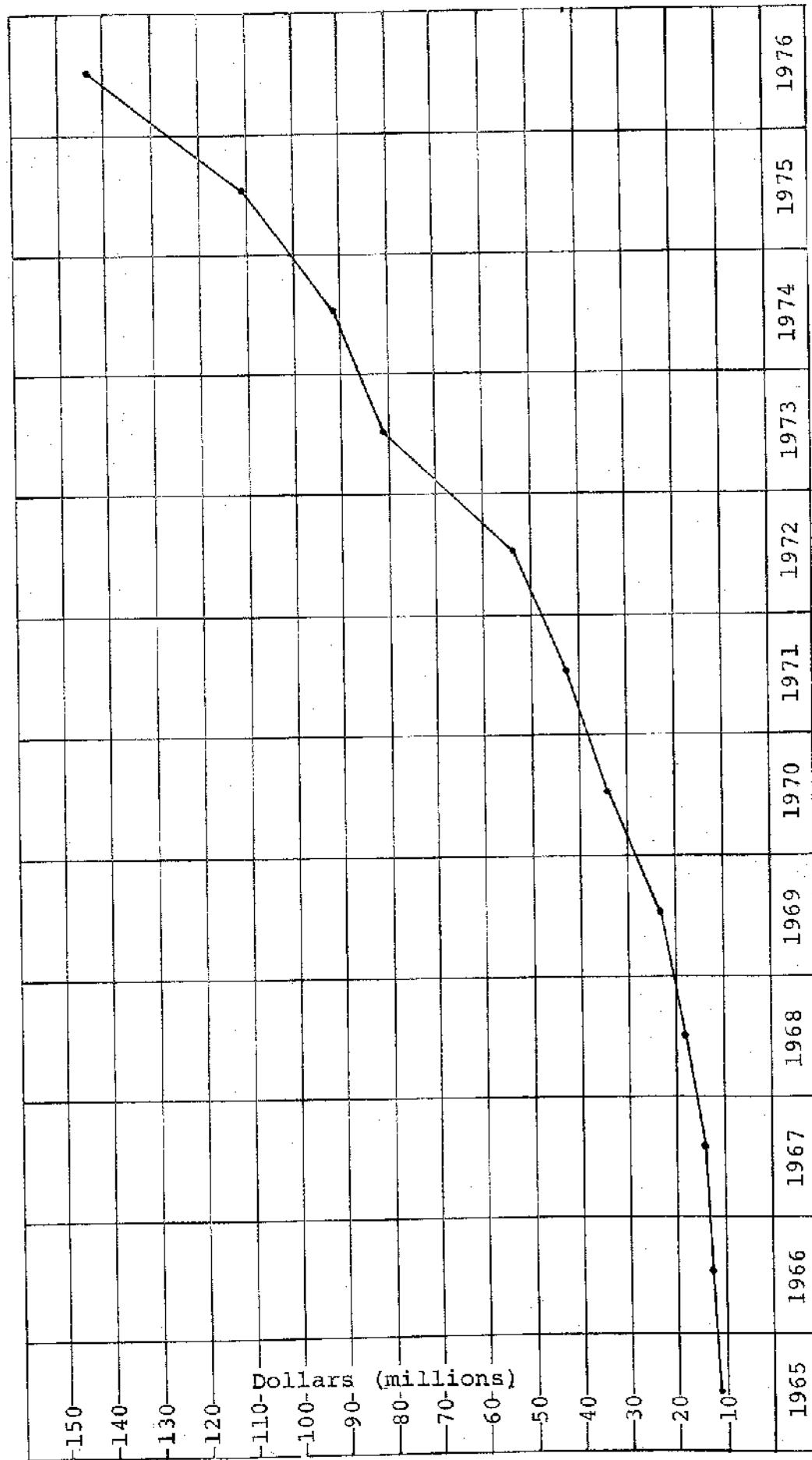
## STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND  
 Historical Data  
 Fiscal Years 1964 Through 1976  
 (cents omitted)

Fiscal Year	Assets Fiscal Year End	Employers' Contributions During Fiscal Year		Employees' Contributions During Fiscal Year		Employees' Benefits Paid Including Death Benefits		Net Investment Income During Fiscal Year
		1964	\$ 6,062,891	\$ 1,395,748	\$ 617,973	\$ 36,533	\$ 221,260	
1965	8,127,439	1,418,567	668,626	42,714	233,321			263,758
1966	10,799,627	1,650,980	700,891	45,142	277,582			390,773
1967	13,127,498	1,580,520	567,799	54,620	359,975			560,279
-9-	16,179,278	2,459,200	597,580	72,767	704,463			675,866
1969	22,497,780	3,854,514	1,917,650	139,360	410,490			1,035,935
1970	29,293,897	2,763,176	2,728,332	200,236	561,178			1,687,211
1971	41,444,559	7,408,647	3,568,932	315,390	882,218			1,756,740
1972	57,285,001	9,957,962	4,677,640	565,551	1,144,434			3,252,779
1973	80,116,285	15,269,037	6,636,276	1,120,276	1,643,831			3,345,726
1974	89,606,549	9,439,931	6,805,053	1,714,642	2,334,265			2,270,806
1975	107,556,336	13,435,344	8,449,474	2,810,321	3,163,052			2,365,398
1976	141,988,644	22,712,558	12,348,074	4,842,542	3,758,719			8,367,857

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND  
Total Assets  
Fiscal Years 1965 through 1976



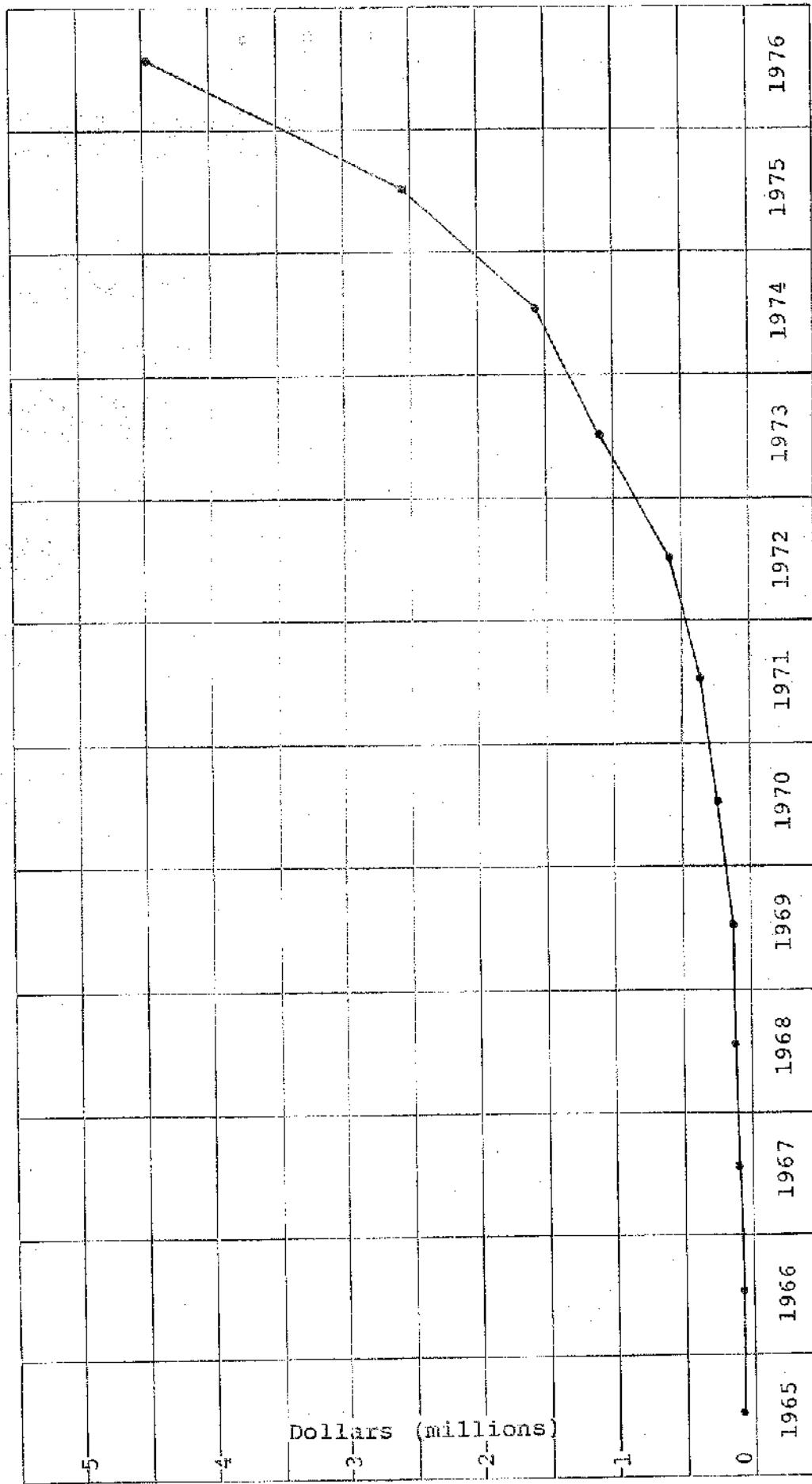
STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND  
Employees' and Employers' Contributions  
Fiscal Years 1967 through 1976



STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND  
Benefits Paid  
Fiscal Years 1965 through 1976.



STATE OF ALASKA  
PUBLIC EMPLOYEES' RETIREMENT FUND  
Comparative Balance Sheet

ASSETS

June 30,  
1976              1975

Current Assets

Investments:

Cash

	\$	\$
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	200
--	-----

Short Term Debt Issues:

Repurchase Agreements

	\$ 2,200,000	\$ 3,400,000
--	--------------	--------------

Savings

	59,270	59,100
--	--------	--------

Savings Certificates

	1,114,000	1,325,000
--	-----------	-----------

Bankers' Acceptances

	10,919,628	1,942,189
--	------------	-----------

Total Short Term Debt Issues

	<u>\$ 14,292,898</u>	<u>\$ 6,726,289</u>
--	----------------------	---------------------

Fixed Income Marketable:

U.S. Treasury Notes & Bonds

	\$ 15,124,522	\$ 31,980,441
--	---------------	---------------

Federal Agency Securities

	26,096,395	7,517,983
--	------------	-----------

Corporate Notes & Bonds

	20,005,277	10,635,812
--	------------	------------

Total Fixed Income Marketable

	<u>\$ 61,226,194</u>	<u>\$ 50,134,236</u>
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Loans and Mortgages:

Private Placements

	\$ 1,000,000	\$ 1,000,000
--	--------------	--------------

Small Business Loans

	8,422,606	10,383,038
--	-----------	------------

Conventional

	17,774,976	6,921,226
--	------------	-----------

FHA

	\$ 12,366,143	\$ 14,337,484
--	---------------	---------------

Total Loans and Mortgages

	<u>\$ 39,563,725</u>	<u>\$ 32,641,748</u>
--	----------------------	----------------------

Common Stock Account:

Cash

	\$ 4,442	\$ 78,591
--	----------	-----------

Fixed Income Issues

	5,877,683	547,447
--	-----------	---------

Common Stock

	20,672,908	17,343,008
--	------------	------------

Total Common Stock Account

	<u>\$ 26,555,033</u>	<u>\$ 17,969,046</u>
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Total Investments

	<u>\$ 141,637,850</u>	<u>\$ 107,471,519</u>
--	-----------------------	-----------------------

Other Current Assets

Cash Pending Permanent Investment

	\$ 350,794	\$ 84,817
--	------------	-----------

Total Current Assets

	<u>\$ 141,988,644</u>	<u>\$ 107,556,336</u>
--	-----------------------	-----------------------

STATE OF ALASKA  
PUBLIC EMPLOYEES' RETIREMENT FUND  
Comparative Balance Sheet

EQUITIES AND RESERVES

June 30  
1976      1975

Equities:

Employees' Equities:

Alaska Housing Finance Corporation	\$ 3,144	\$ 3,144
Alaska Municipal League	9,773	6,951
Alaska, State of	25,449,140	20,246,111
Alaska, University of	1,723,363	1,341,061
Alaska, University of, Geophysical Institute	205,574	140,492
Alaska Unorganized Borough Schools	462,720	
Anchorage Borough Schools	2,129,469	1,644,063
Anchorage, City of	1,364,122	729,968
Anchorage, Area Borough, Greater	1,722,437	1,173,133
Bethel, City of	8,081	3,035
Bristol Bay Borough	4,885	1,261
Cordova, City of	29,178	
Delta Junction, City of	1,749	
Fairbanks, City of	822,226	587,108
Fairbanks Public Utilities	256,141	196,690
Galena City Schools	6,120	3,902
Gateway Borough	40,707	27,229
Haines, City of	15,226	10,199
Hoonah City Schools	12,229	6,467
Juneau, City and Borough of	710,112	552,159
Juneau Borough Schools	164,897	144,390
Kenai, City of	89,230	62,011
King Cove, City of	1,191	
King Cove City Schools	4,225	2,372
Kodiak, City of	127,769	95,200
Kotzebue, City of	9,721	4,229
Matanuska-Susitna Borough	88,235	58,825
Matanuska-Susitna Borough Schools	117,873	87,406
Nome City Schools	14,289	
Nome Municipal Utilities	40,038	2,903
North Slope Borough	35,365	6,244
North Star Borough	204,296	145,530
North Star Borough Schools	450,294	270,136
Petersburg, City of	38,159	9,572
Selawik School District	15,550	
Sitka, City and Borough of	189,565	137,107
Sitka Borough School District	43,825	28,383
Skagway, City of	6,270	5,356
Soldotna, City of	2,909	8,630
Valdez, City of	77,187	43,560
Valdez City Schools	11,326	5,375
Wrangell, City of	42,546	25,892
Wrangell School District	3,600	.619
Total Employees' Equities	\$ 36,754,756	\$ 27,813,569

## STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND  
Comparative Balance Sheet

<u>EQUITIES AND RESERVES</u>	<u>June 30</u>	
	1976	1975
<b>Equities - Continued:</b>		
Employers' Equities:		
Alaska Housing Finance Corporation	\$ 6,425	\$
Alaska Municipal League	29,750	21,000
Alaska, State of	56,004,577	49,541,026
Alaska, University of	4,466,838	3,256,059
Alaska, University of, Geophysical Institute	480,550	318,852
Alaska Unorganized Borough Schools	498,962	
Anchorage Borough Schools	4,115,727	3,778,649
Anchorage, City of	744,781	316,571
Anchorage, Area Borough, Greater	3,924,011	2,544,764
Bethel, City of	7,032	4,016
Bristol Bay Borough	8,250	736
Cordova, City of	68,188	
Delta Junction, City of	2,049	
Fairbanks, City of	1,250,342	806,640
Fairbanks Public Utilities	(39,874)	292,165
Galena City Schools	5,368	1,934
Gateway Borough	84,383	42,066
Haines, City of	30,832	9,124
Hoonah City Schools	25,560	9,468
Juneau, City and Borough of	2,108,114	1,656,582
Juneau Borough Schools	449,613	385,538
Kenai, City of	319,682	236,345
King Cove, City of	3,143	
King Cove City Schools	3,642	1,777
Kodiak, City of	266,151	159,000
Kotzebue, City of	31,311	13,932
Matanuska-Susitna Borough	302,170	204,383
Matanuska-Susitna Borough Schools	190,816	143,874
Nome City Schools	(87,649)	
Nome Municipal Utilities	62,351	10,269
North Slope Borough	64,147	6,988
North Star Borough	614,089	406,469
North Star Borough Schools	1,127,724	799,392
Petersburg, City of	(36,478)	20,317
Selawik School District	21,097	
Sitka, City and Borough of	297,869	165,111
Sitka Borough School District	50,651	24,427
Skagway, City of	43,400	27,293
Soldotna, City of	28,298	21,198
Valdez, City of	71,537	54,358
Valdez City Schools	30,490	7,724
Wrangell, City of	49,965	33,357
Wrangell School District	13,496	1,984
Total Employers' Equities	<u>\$ 77,739,380</u>	<u>\$ 65,323,388</u>
Total Equities	<u>\$114,494,136</u>	<u>\$ 93,136,957</u>
<b>Reserves:</b>		
Retirement Reserves	<u>\$ 27,494,508</u>	<u>\$ 14,419,379</u>
Total Equities and Reserve	<u>\$141,988,644</u>	<u>\$107,556,336</u>

STATE OF ALASKA  
PUBLIC EMPLOYEES' RETIREMENT FUND  
Comparative Statement of Operations

	Fiscal Year Ended	
	<u>June 30, 1976</u>	<u>June 30, 1975</u>
Beginning Equities and Reserves	\$107,556,336	\$ 89,606,549
Additions:		
Employees' Contributions Including Interest:		
Alaska Housing Finance Corporation	\$ 3,229	\$
Alaska Municipal League	3,598	2,618
Alaska, State of	8,273,193	6,178,493
Alaska, University of	676,512	591,892
Alaska, University of, Geophysical Institute	73,006	58,210
Alaska Unorganized Borough Schools	551,113	
Anchorage Borough Schools	844,370	536,137
Anchorage, City of	779,899	581,894
Anchorage, Area Borough, Greater	819,441	519,752
Bethel, City of	2,699	4,258
Bristol Bay Borough	4,093	1,399
Cordova, City of	36,891	
Delta Junction, City of	1,749	
Fairbanks, City of	355,635	246,755
Fairbanks Public Utilities	115,818	96,950
Galena City Schools	2,218	3,902
Gateway Borough	25,884	19,389
Haines, City of	11,913	6,799
Hoonah City Schools	8,479	6,501
Juneau, City and Borough of	265,899	213,196
Juneau Borough Schools	64,666	60,533
Kenai, City of	32,692	32,849
King Cove, City of	1,488	
King Cove City Schools	2,052	2,372
Kodiak, City of	62,618	44,234
Kotzebue, City of	8,930	7,871
Matanuska-Susitna Borough	39,335	29,813
Matanuska-Susitna Borough Schools	38,440	31,159
Nome City Schools	17,216	
Nome Municipal Utilities	45,699	3,728
North Slope Borough	33,704	6,244
North Star Borough	87,551	66,095
North Star Borough Schools	279,152	121,119
Petersburg, City of	37,334	9,833
Selawik School District	15,550	
Sitka, City and Borough of	75,327	44,929
Sitka Borough School District	23,798	17,961
Skagway, City of	7,577	3,020
Soldotna, City of	2,001	4,987

## STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND  
Comparative Statement of Operations

	Fiscal Year Ended	
	<u>June 30, 1976</u>	<u>June 30, 1975</u>
<b>Additions - Continued:</b>		
Employees' Contributions - Continued:		
Valdez, City of	\$ 42,852	\$ 28,006
Valdez City Schools	11,849	6,032
Wrangell, City of	24,291	21,084
Wrangell School District	3,126	619
Less Interest Credited to Employees	(1,464,813)	(1,161,159)
Total Employees' Contributions	<u>\$ 12,348,074</u>	<u>\$ 8,449,474</u>
Employers' Contributions:		
Alaska Housing Finance Corporation	\$ 6,157	\$
Alaska Municipal League	5,662	3,810
Alaska, State of	12,372,734	7,905,520
Alaska, University of	1,375,700	817,230
Alaska, University of, Geophysical Institute	120,029	61,672
Alaska Unorganized Borough Schools	495,328	
Anchorage Borough Schools	1,281,694	717,373
Anchorage, City of	2,471,642	1,377,449
Anchorage, Area Borough, Greater	1,385,292	721,348
Bethel, City of	3,820	4,121
Bristol Bay Borough	7,204	752
Cordova, City of	65,410	
Delta Junction, City of	1,979	
Fairbanks, City of	685,083	458,625
Fairbanks Public Utilities	234,884	165,900
Galena City Schools	3,272	1,989
Gateway Borough	39,704	28,627
Haines, City of	16,810	5,737
Hoonah City Schools	14,649	9,487
Juneau, City and Borough of	488,931	280,102
Juneau Borough Schools	87,962	75,755
Kenai, City of	72,300	35,863
King Cove, City of	3,352	
King Cove City Schools	1,675	1,797
Kodiak, City of	115,584	58,355
Kotzebue, City of	15,530	13,824
Matanuska-Susitna Borough	67,690	37,398
Matanuska-Susitna Borough Schools	63,058	42,942
Nome City Schools	43,693	
Nome Municipal Utilities	87,870	10,223
North Slope Borough	54,510	7,049
North Star Borough	159,485	121,948

## STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND  
Comparative Statement of Operations

	Fiscal Year Ended	
	June 30, 1976	June 30, 1975
<b>Additions - Continued:</b>		
Employers' Contributions Continued:		
North Star Borough Schools	\$ 418,557	\$ 210,135
Petersburg, City of	84,758	20,255
Selawik School District	20,299	
Sitka, City and Borough of	142,493	132,540
Sitka Borough School District	47,822	28,766
Skagway, City of	11,296	6,909
Soldotna, City of	4,155	5,499
Valdez, City of	56,661	25,869
Valdez City Schools	21,885	7,748
Wrangell, City of	44,648	30,761
Wrangell School District	10,791	1,966
Total Employers' Contributions	<u>\$ 22,712,558</u>	<u>\$ 13,435,344</u>
Interest Earned on Reinstatements	\$ 21,464	\$ 9,087
Net Investment Income	<u>8,367,857</u>	<u>2,365,398</u>
Total Additions	<u>\$ 43,449,953</u>	<u>\$ 24,259,303</u>
Total Equities, Reserves and Additions	<u>\$151,006,289</u>	<u>\$113,865,852</u>
<b>Deductions:</b>		
Administrative Expenses:		
Personal Services	\$ 192,220	\$ 161,595
Travel	9,009	9,003
Contractual Services	83,092	74,104
Commodities	2,015	2,621
Equipment	2,448	1,319
Inter-Agency Service	127,600	87,500
Total Administrative Expenses	<u>\$ 416,384</u>	<u>\$ 336,142</u>
Employees' Contributions and Interest Refunded	\$ 3,758,719	\$ 3,163,052
Retirement Benefits Paid	<u>4,842,542</u>	<u>2,810,322</u>
Total Deductions	<u>\$ 9,017,645</u>	<u>\$ 6,309,516</u>
Ending Equities and Reserves	<u>\$141,988,644</u>	<u>\$107,556,336</u>

STATE OF ALASKA  
 PUBLIC EMPLOYEES' RETIREMENT FUND  
 COMMON STOCKS PURCHASED  
 7/1/75 through 6/30/76

<u>Issues</u>	<u>Shares</u>	<u>Total Cost</u>
Atlantic Richfield Co.	1,000	\$ 98,981
Avon Products, Inc.	15,000	619,036
Beatrice Foods Co.	30,500	735,367
Black & Decker Mfg. Co.	5,000	129,100
Dow Chemical Co.	8,000	733,398
Eastman Kodak Co.	2,000	201,896
Exxon Corporation	11,000	1,010,799
Federated Department Stores, Inc.	20,000	1,115,464
Hewlett-Packard Co.	4,500	522,455
International Business Machines Corp.	1,000	209,530
PepsiCo Inc.	2,900	213,335
Squibb Corp.	6,000	194,400
Standard Oil Co. (Ohio)	3,500	256,694
Texas Instruments Incorporated	4,000	516,920
The Travelers Corp.	30,000	742,884
United States Steel Corp.	3,000	195,170
 Total		<u>\$7,495,929</u>

STATE OF ALASKA  
PUBLIC EMPLOYEES' RETIREMENT FUND  
COMMON STOCKS SOLD  
7/1/75 through 6/30/76

<u>Issue</u>	<u>Shares</u>	<u>Cost</u>	<u>Proceeds</u>	<u>Gain or (Loss)</u>
Bankamerica Corp.	20,000	\$ 742,244	\$ 867,125	\$ 124,881
Caterpillar Tractor Co.	11,000	711,050	985,982	274,932
Citicorp	13,000	535,838	358,036	(177,802)
Halliburton Co.	3,000	434,205	431,542	(2,663)
Richmond Corp.	20,000	406,949	275,544	(131,405)
Sears, Roebuck and Co.	10,000	605,959	693,835	87,876
Southern California Edison Co.	25,000	729,786	453,506	(276,280)
Total		<u>\$4,166,031</u>	<u>\$4,065,570</u>	<u>\$(100,461)</u>

STATE OF ALASKA  
PUBLIC EMPLOYEES' RETIREMENT FUND  
Investment Summary  
June 30, 1976

	<u>Cost</u> <u>Value</u>	<u>Market</u> <u>Value</u>
Cash	\$ -0-	\$ -0-
 Short Term Debt Issues:		
Repurchase Agreements	\$ 2,200,000	\$ 2,200,000
Bankers Acceptances	10,919,628	10,948,138
Savings Account	59,270	59,270
Savings Certificates	1,114,000	1,134,110
Total Short Term Debt Issues	<u>\$ 14,292,898</u>	<u>\$ 14,341,518</u>
 Fixed Income Marketable Issues:		
U. S. Agencies	\$ 26,096,394	\$ 26,312,619
U. S. Government Notes	15,124,522	15,187,787
Corporate Notes and Bonds	20,005,278	20,160,625
Total Fixed Income Marketable Issues	<u>\$ 61,226,194</u>	<u>\$ 61,661,031</u>
 Loans and Mortgages:		
Private Placements	\$ 1,000,000	\$ 960,000
FHA	12,366,143	11,357,434
Small Business Loans	8,422,606	8,057,801
Conventional Mortgages	17,774,976	18,357,601
Total Loans and Mortgages	<u>\$ 39,563,725</u>	<u>\$ 38,732,836</u>
 Common Stock Account:		
Cash	\$ 4,442	\$ 4,442
Fixed Income Issues	5,877,683	5,877,683
Common Stock	20,672,908	21,097,341
Total Common Stock Account	<u>\$ 26,555,033</u>	<u>\$ 26,979,466</u>
 Total Investments	<u><u>\$141,637,850</u></u>	<u><u>\$141,714,851</u></u>

## STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND  
 Assets Owned  
 as of June 30, 1976

	Maturity Date	Par Value	Cost Value	Market Value	% Yield at Cost
<b>CASH</b>					
Demand Account		\$ -0-	\$ -0-	\$ -0-	
Total Cash		\$ -0-	\$ -0-	\$ -0-	
<b>SHORT TERM DEBT ISSUES</b>					
Repurchase Agreements	07/01/76	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	5.50
Bankers' Acceptances	Various	\$ 11,000,000	\$ 10,919,628	\$ 10,948,138	5.70
Savings Account		\$ 59,270	\$ 59,270	\$ 59,270	5.00
Savings Certificates:					
Arctic First Federal Savings & Loan	12/21/76	\$ 250,000	\$ 250,000	\$ 250,790	7.50
Arctic First Federal Savings & Loan	10/25/77	\$ 100,000	\$ 100,000	\$ 99,860	7.50
Arctic First Federal Savings & Loan	05/01/78	\$ 200,000	\$ 200,000	\$ 198,624	7.50
Arctic First Federal Savings & Loan	02/15/79	\$ 150,000	\$ 150,000	\$ 148,234	7.50
Arctic First Federal Savings & Loan	02/15/80	\$ 100,000	\$ 100,000	\$ 97,525	7.50
First Federal Savings & Loan	07/09/76	\$ 100,000	\$ 100,000	\$ 100,000	6.75
First Federal Savings & Loan	07/11/77	\$ 114,000	\$ 114,000	\$ 140,000	7.50
First Federal Savings & Loan	07/10/78	\$ 100,000	\$ 100,000	\$ 99,077	7.50
Sub-Total		\$ 1,114,000	\$ 1,114,000	\$ 1,134,110	
Total Short Term Debt Issues		\$ 14,373,270	\$ 14,292,898	\$ 14,341,518	

## STATE OF ALASKA

**PUBLIC EMPLOYEES' RETIREMENT FUND**  
**Assets Owned**  
**as of June 30, 1976**

<u>FIXED INCOME MARKETABLE ISSUES</u>		<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>% Yield at Cost</u>
<b>U. S. Agencies:</b>								
Federal National Mortgage Assn.	8.75	09/10/80	\$ 2,500,000	\$ 2,527,344	\$ 2,590,625	8.65		
Federal Intermediate Credit Banks	7.90	01/05/81	1,000,000	1,016,882	1,006,250	7.77		
Federal National Mortgage Assn.	7.90	10/10/85	5,000,000	5,000,000	4,975,000	7.90		
Federal Land Banks	8.80	10/21/85	8,750,000	8,829,922	9,143,750	8.67		
Federal Intermediate Credit Banks	7.95	04/01/86	2,500,000	2,500,000	2,493,750	7.95		
Federal Land Banks	7.95	04/22/91	2,500,000	2,529,687	2,482,800	7.86		
GMA Mtg. Backed Sec. Pool #5153	7.25	11/15/04	480,903	443,042	437,620	7.87		
GMA Mtg. Backed Sec. Pool #5903	7.25	02/15/05	936,995	864,822	852,665	7.86		
GMA Mtg. Backed Sec. Pool #5235	8.00	04/15/05	496,138	487,773	476,293	8.14		
GMA Mtg. Backed Sec. Pool #5818	8.00	06/15/05	492,461	488,154	472,762	8.07		
GMA Mtg. Backed Sec. Pool #6538	8.00	08/15/05	497,394	489,008	477,498	8.14		
GMA Mtg. Backed Sec. Pool #7638	7.25	08/15/05	493,741	458,961	449,304	7.80		
GMA Mtg. Backed Sec. Pool #8578	7.25	11/15/05	499,234	460,799	454,302	7.85		
Sub-Total			\$26,746,866	\$26,096,394	\$26,312,619			
<b>U. S. Government Notes and Bonds:</b>								
U. S. Treasury Notes	7.37	05/15/81	\$ 5,000,000	\$ 5,009,375	\$ 4,968,750	7.36		
U. S. Treasury Notes	7.87	11/15/82	5,000,000	4,991,810	5,040,600	7.39		
U. S. Treasury Bonds	7.87	02/15/00	4,250,000	4,125,837	4,159,687	8.11		
U. S. Treasury Bonds	8.25	05/15/05	1,000,000	997,500	1,018,750	8.27		
Sub-Total			\$15,250,000	\$15,124,522	\$15,187,787			
<b>Corporate Notes &amp; Bonds:</b>								
Revlon, Inc.	8.45	05/01/85	\$ 1,000,000	\$ 1,000,000	\$ 1,013,750	8.45		
Pacific Gas & Electric Co.	9.50	06/01/85	1,250,000	1,243,750	1,315,625	9.55		
Montgomery Ward Credit Corp.	9.60	02/01/95	1,000,000	1,000,000	1,015,000	9.60		

## STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND  
 Assets Owned  
 as of June 30, 1976

<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>% Yield at Cost</u>
<b>FIXED INCOME MARKETABLE ISSUES Continued</b>						
<b>Corporate Notes &amp; Bonds - Continued:</b>						
J. C. Penney Company, Inc.	8.87	07/15/95	\$ 1,000,000	\$ 988,590	\$ 1,002,500	8.98
Diamond Shamrock Corp.	9.00	04/01/99	1,000,000	1,020,000	1,012,500	8.82
Pfizer Inc.	8.50	04/15/99	500,000	470,125	501,250	9.04
General Motors Acceptance Corp.	8.75	02/01/00	1,000,000	995,000	1,002,500	8.79
Pfizer Inc.	9.25	08/15/00	500,000	493,750	517,500	9.37
Ashland Oil, Inc.	10.00	09/01/00	500,000	500,000	525,000	10.00
International Minerals & Chemical Corp.	9.35	11/01/00	1,000,000	1,000,000	1,032,500	9.35
Ford Motor Credit Co.	9.75	01/15/01	1,000,000	993,750	1,035,000	9.81
Amax, Inc.	8.62	03/01/01	1,000,000	1,005,000	987,500	8.58
C.I.T. Financial Corp.	8.37	04/01/01	1,000,000	992,500	947,500	8.44
Liggett & Meyers, Incorporated	8.62	04/15/01	1,250,000	1,253,438	1,231,250	8.60
Cyprus Mines Corp.	8.50	04/15/01	1,000,000	1,000,000	960,000	8.50
Bankamerica Corp.	8.75	05/01/01	1,250,000	1,237,500	1,243,750	8.84
Texaco, Inc.	8.87	05/01/05	1,000,000	1,002,500	1,020,000	8.85
Shell Oil Company	8.75	05/15/05	1,000,000	1,018,750	1,012,500	9.59
Standard Oil Co. of California	8.75	07/01/05	500,000	510,000	506,250	8.58
Kerr-McGee Corp.	8.50	06/01/06	1,250,000	1,240,625	1,243,750	8.56
New York Telephone Co.	9.00	05/01/14	1,000,000	1,040,000	1,035,000	8.65
Sub-Total			\$20,000,000	\$20,005,278	\$20,160,625	
Total Fixed Income Marketable Issues			\$61,396,866	\$61,226,194	\$61,661,031	
<b>LOANS AND MORTGAGES - By Servicing Agent</b>						
Private Placements:						
M.G.I.C. Mortgage Corporation Notes	7.75	12/15/77	\$ 1,000,000	\$ 1,000,000	\$ 960,000	7.75

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND  
Assets Owned  
as of June 30, 1976

Description

LOANS AND MORTGAGES - By Servicing Agent -

Continued

FHA Mortgages:

<u>Coupon Rate</u>	<u>Par Value</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>% Yield at Cost</u>
6.75	\$ 91,538	\$ 86,037	\$ 77,652	7.07
7.50	595,267	562,527	529,609	7.77
8.50	106,754	106,754	100,861	8.00
7.50	134,289	134,289	119,477	7.13
8.00	310,927	310,927	285,213	6.63
8.50	411,082	405,738	388,390	8.30
5.25	258,377	245,458	199,002	5.20
6.00	379,360	364,831	306,106	6.00
6.75	556,856	53,440	48,231	7.34
7.00	1,798,200	1,703,795	1,550,228	7.34
7.50	31,944	31,290	28,421	7.41
7.50	468,786	446,894	417,079	7.48
8.00	37,818	38,480	34,690	7.29
8.50	217,027	228,963	205,047	7.48
8.50	286,792	301,132	270,961	7.40
5.25	491,870	469,244	378,838	5.15
5.50	50,724	49,202	39,773	5.28
5.75	31,056	31,521	24,469	5.11
7.00	366,449	345,928	315,916	7.39
7.50	801,838	749,558	713,395	7.92
8.50	242,704	230,569	299,307	8.92
8.50	560,128	544,835	529,209	8.39
8.75	239,094	230,726	229,195	8.95
9.00	104,778	102,682	102,609	8.50
5.25	57,157	52,013	44,023	5.60
6.00	741,166	699,661	598,047	6.24

## STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND  
 Assets Owned  
 as of June 30, 1976

<u>Description</u>	<u>Coupon Rate</u>	<u>Par Value</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>% Yield at Cost</u>
<b>LOANS AND MORTGAGES - By Servicing Agent -</b>					
FHA Mortgages - Continued:					
National Bank of Alaska	7.00	\$ 934,688	\$ 859,913	\$ 805,794	7.87
National Bank of Alaska	7.00	783,181	744,805	675,180	7.30
National Bank of Alaska	7.50	58,017	57,205	51,618	7.32
National Bank of Alaska	8.50	649,546	638,114	613,691	8.25
Rainier Mortgage Company	5.25	27,231	25,869	20,973	5.21
Rainier Mortgage Company	5.75	191,028	183,387	150,511	5.63
Rainier Mortgage Company	6.00	198,054	190,469	159,810	5.63
Rainier Mortgage Company	7.00	948,053	901,598	817,316	7.30
Rainier Mortgage Company	7.50	254,909	238,289	226,793	7.92
Sub-Total		<u>\$12,916,688</u>	<u>\$12,366,143</u>	<u>\$11,357,434</u>	
Small Business Loans:					
Alaska Bank of Commerce	11.00	\$ 94,620	\$ 94,620	\$ 99,162	10.50
Alaska Mutual Savings Bank	9.50	281,224	281,224	270,622	9.00
Alaska State Bank	8.00	354,891	354,891	312,872	7.50
Alaska State Bank	8.75	16,972	16,972	115,648	8.25
Alaska State Bank	9.00	23,052	23,052	21,563	8.50
Alaska State Bank	10.25	67,664	67,664	67,664	9.75
Alaska State Bank	10.50	170,485	170,485	173,213	10.00
Alaska State Bank	11.00	84,596	84,596	88,657	10.50
First National Bank of Ketchikan	9.75	371,184	371,184	362,201	9.38
First National Bank of Ketchikan	10.50	713,458	713,458	724,874	10.18
National Bank of Alaska	8.00	1,852,010	1,852,010	1,632,732	7.50
National Bank of Alaska	8.75	166,865	166,865	153,849	8.25
National Bank of Alaska	9.00	169,389	169,389	158,446	8.50
National Bank of Alaska	9.50	371,246	371,246	357,250	9.00

## STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND  
 Assets Owned  
 as of June 30, 1976

<u>Description</u>	<u>Coupon Rate</u>	<u>Par Value</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>% Yield at Cost</u>
Small Business Loans - Continued:					
National Bank of Alaska	9.75	\$ 593,523	\$ 593,523	\$ 579,160	9.25
National Bank of Alaska	10.00	1,206,262	1,206,262	1,204,035	9.50
National Bank of Alaska	10.50	1,380,144	1,380,144	1,402,226	10.00
National Bank of Alaska	11.50	425,519	425,519	455,263	11.00
Peoples Bank & Trust	8.00	661,400	661,400	583,090	7.50
Peoples Bank & Trust	9.00	108,339	108,339	101,340	8.50
Peoples Bank & Trust	9.25	309,763	309,763	293,934	8.75
Sub-Total		\$ 8,422,606	\$ 8,422,606	\$ 8,057,801	
Conventional Residential Mortgages:					
Alaska Federal Savings & Loan	9.25	\$ 747,227	\$ 747,227	\$ 728,845	8.34
Alaska Federal Savings & Loan	10.00	98,156	98,156	99,962	9.81
Alaska National Bank	9.25	1,213,783	1,213,783	1,183,924	8.94
Alaska National Bank	9.50	1,150,393	1,150,393	1,148,739	9.19
Alaska National Bank	9.75	572,206	572,206	572,206	9.44
Alaska National Bank	10.75	182,535	182,535	193,031	10.44
Alaska National Bank	9.75	382,972	382,972	382,972	9.44
Alaska National Bank	10.50	250,000	250,000	260,950	10.07
Alaska National Bank	11.00	729,943	729,943	781,915	11.00
Alaska National Bank	11.50	83,151	83,151	90,268	11.23
Alaska National Bank	11.50	573,189	573,189	622,254	11.35
Alaska National Bank	12.00	872,979	872,979	960,277	12.00
Alaska Mutual Savings Bank	9.75	148,107	148,107	148,107	9.44
Alaska Mutual Savings Bank	10.37	103,784	103,784	107,602	10.29
Alaska Mutual Savings Bank	9.75	147,735	147,735	147,735	9.44
Alaska Mutual Savings Bank	10.25	100,729	100,729	103,761	10.07
Alaska Mutual Savings Bank	10.37	75,560	75,560	78,352	10.29

LOANS AND MORTGAGES - By Servicing Agent -  
 Continued

## STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND  
 Assets Owned  
 as of June 30, 1976

Description

LOANS AND MORTGAGES - By Servicing Agent -  
 Continued

## Conventional/Residential Mortgages -

## Continued:

<u>Coupon Rate</u>	<u>Par Value</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>% Yield at Cost</u>
9.50	\$ 665,999	\$ 665,999	\$ 658,673	9.19
9.75	891,296	891,296	891,296	9.44
10.25	146,250	146,250	150,652	10.12
10.25	108,671	108,671	111,942	10.12
10.50	169,325	169,325	176,741	10.32
10.75	213,467	213,467	225,741	10.44
10.75	148,879	148,879	157,439	10.57
12.00	256,978	256,978	282,675	11.82
11.00	1,001,747	1,001,747	1,073,071	10.60
10.75	993,579	993,579	1,050,710	10.50
12.50	900,000	900,000	1,002,960	12.37
9.25	365,883	365,883	356,883	8.94
9.75	432,819	432,819	432,819	9.44
10.25	110,905	110,905	114,243	10.07
10.75	489,845	489,845	518,013	10.57
12.00	91,073	91,073	100,180	11.53
9.75	1,461,867	1,461,867	1,461,867	9.44
10.75	724,197	724,197	765,838	10.44
11.00	128,899	128,899	138,077	10.88
9.50	97,439	97,439	96,367	9.19
9.75	194,840	194,840	194,840	9.44
10.00	87,800	87,800	89,416	9.69
10.25	120,708	120,708	124,341	9.94
10.25	142,737	142,737	147,034	10.37
10.50	60,224	60,224	62,862	10.19
10.75	166,366	166,366	175,932	10.44

## STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND  
 Assets Owned  
 as of June 30, 1976

<u>Description</u>	<u>Coupon Rate</u>	<u>Par Value</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>% Yield at Cost</u>
<u>LOANS AND MORTGAGES - By Servicing Agent -</u>					
Conventional/Residential Mortgages -					
Continued:					
Security National Bank	9.25	\$ 484,815	\$ 484,815	\$ 472,889	8.94
Security National Bank	9.50	68,682	68,682	67,926	9.19
Security National Bank	9.75	249,320	249,320	249,320	9.44
Security National Bank	11.00	240,000	240,000	257,088	10.72
Security National Bank	11.50	127,916	127,916	138,866	11.25
Sub-Total		<u>\$17,774,976</u>	<u>\$17,774,976</u>	<u>\$18,357,601</u>	
Total Loans and Mortgages		<u>\$40,114,270</u>	<u>\$39,563,725</u>	<u>\$38,732,836</u>	

## STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND  
 Assets Owned  
 as of June 30, 1976

<u>Description</u>	<u>Annual Dividend</u>	<u>Maturity Date</u>	<u>Par Value or Shares</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>% Yield at Cost</u>
<b>COMMON STOCK ACCOUNT</b>						
Cash/Demand				\$ 4,442	\$ 4,442	
Savings Deposit				\$ 35,536	\$ 35,536	5.00
Short Term Issues:						
U. S. Treasury Bills		07/22/76	1,700,000	\$ 1,679,760	\$ 1,679,760	4.71
U. S. Treasury Bills		07/29/76	1,500,000	\$ 1,481,416	\$ 1,481,416	4.89
U. S. Treasury Bills		08/05/76	1,200,000	\$ 1,185,216	\$ 1,185,216	4.88
U. S. Treasury Bills		08/12/76	100,000	\$ 93,718	\$ 98,718	5.07
Sub-Total				\$ 4,445,710	\$ 4,445,710	
Commercial Paper:						
Sohio Pipeline		07/07/76	100,000	\$ 998,956	\$ 998,956	5.50
Sohio Pipeline		07/21/76	100,000	\$ 99,523	\$ 99,523	5.75
Union Alaska Pipeline		07/27/76	300,000	\$ 298,558	\$ 298,558	5.50
Sub-Total				\$ 1,397,037	\$ 1,397,037	
Common Stock:						
American Home Products Corp.	1.00		12,000	\$ 498,201	\$ 411,000	2.41
American Hospital Supply Corp.	.40		24,000	\$ 904,124	\$ 822,000	1.06
Atlantic Richfield Co.	3.20		9,000	\$ 891,286	\$ 940,500	3.23
Avon Products, Inc.	1.80		15,000	\$ 619,036	\$ 708,750	4.36
Beatrice Foods Co.	.84		30,500	\$ 735,367	\$ 804,437	3.48
Black and Decker Mfg. Co.	.40		20,000	\$ 643,825	\$ 490,000	1.24
Bucyrus-Erie Co.	.56		32,000	\$ 782,401	\$ 956,000	2.29
Dow Chemical Co.	1.00		16,000	\$ 733,898	\$ 772,000	2.18
E. I. DuPont de Nemours	5.00		3,600	\$ 605,477	\$ 502,200	2.97
Eastman Kodak Co.	1.56		8,000	\$ 821,448	\$ 801,000	1.52
Exxon Corporation	2.80		11,000	\$ 1,010,799	\$ 1,150,000	6.09

## STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND  
 Assets Owned  
 as of June 30, 1976

Description	Annual Dividend	Maturity Date	Par Value or Shares	Cost Value	Market Value	% Yield at Cost
<u>COMMON STOCK ACCOUNT - Continued</u>						
Common Stock - Continued:						
Federated Department Stores, Inc.	1.36		20,000	\$ 1,115,464	\$ 952,500	2.44
General Motors Corp.	3.40		9,000	705,113	616,500	4.34
Georgia-Pacific Corp.	1.20		16,236	655,359	836,154	2.97
Hercules, Incorporated	.80		15,000	499,930	483,750	2.40
Hewlett-Packard Co.	.60		4,500	522,455	516,375	.52
International Business Machines Corp.	9.00		5,000	1,150,818	1,383,750	3.91
S. S. Kresge Co.	.32		20,000	657,416	710,000	.97
Merck & Co., Inc.	1.40		7,000	556,386	504,000	1.76
M.G.I.C. Mortgage Corporation Notes	.10		15,000	669,777	189,375	.22
J. C. Penney Company, Inc.	1.23		8,000	600,506	418,000	1.17
PepsiCo, Inc.	2.00		2,900	213,335	216,050	2.71
Republic Steel Corp.	1.64		15,000	483,604	571,875	5.09
Squibb Corp.	.90		22,000	805,097	723,250	2.23
Standard Oil Co. (Ohio)	1.36		15,500	996,747	1,127,625	2.11
Texas Instruments Incorporated	1.00		4,000	516,920	508,000	.77
The Travelers Corp.	1.08		30,000	742,884	975,000	4.36
United States Steel Corp.	2.20		19,500	792,608	1,057,875	5.41
Whirlpool Corporation	.80		35,000	742,407	949,375	3.77
Sub-Total				\$ 20,672,908	\$ 21,097,341	
Total Common Stock Account				\$ 26,555,033	\$ 26,979,466	
Total Assets				\$ 141,637,850	\$ 141,714,851	

**WILLIAM M.  
MERCER**

Norton Building  
Seattle, Washington 98104

Telephone  
206-223-1240

September 27, 1976

Mr. Andrew S. Warwick  
Commissioner of Administration  
State of Alaska  
Department of Administration  
Pouch C  
Juneau, Alaska 99801

Actuarial Status -  
Alaska Public Employees' Retirement System

Dear Commissioner Warwick:

This is a brief statement to outline the actuarial status of the Alaska Public Employees' Retirement System.

The actuarial valuation which we perform each year with respect to the Alaska Public Employees' Retirement System has the following objectives:

- (1) To examine the status of funding of the System.
- (2) To develop contribution rates for each participating employer in the System which are adequate to support the benefits of the System.

Based upon the actuarial method shown in Exhibit I and assumptions shown in Exhibit II, the contribution levels shown in Exhibit III are adequate to support the benefits of the System for fiscal year 1975-76.

Although the funding levels vary by employer, the funding status of the System as a whole can be shown as follows:

(1) Present value of all benefits earned to the valuation date by non-retired participants (December 31, 1974)	\$122,304,882
(2) Values of assets of the System attributable to non-retired participants	\$ 69,732,065
(3) Funding Ratio ((2)/(1))	57.0%

# WILLIAM M. MERCER

Mr. Andrew S. Warwick

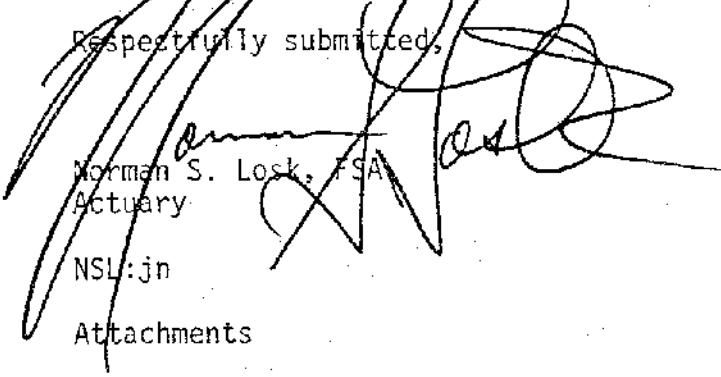
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September 27, 1976

This means that the assets of the System are sufficient to cover 57.0% of the liabilities for benefits earned to the date of the valuation by non-retired participants. However, the level of the funding ratio in and of itself is not so significant as is the progression of these ratios on a year-by-year basis. This represents a very significant reduction in funding status from that of the prior valuation (99.2%). The primary reasons for this change are the legislated changes in the provisions of the System enacted in the 1975 Legislative Session.

In summary, my opinion is that, given the changes in the provisions of the System in the recent years, the funding progress of the System is satisfactory and the current contribution levels are sufficient to support the benefits of the System.

Respectfully submitted,

  
Norman S. Losk, FSA  
Actuary

NSL:jn

Attachments

EXHIBIT I  
ACTUARIAL METHOD

The actuarial method used in this valuation is known as the Aggregate Method with Supplemental Liability. Under this method, the Consolidated Employer Contribution Rate is determined as follows:

- (1) The present value of all benefits accrued and expected to be earned in the future for non-retired participants is calculated, taking into account expected levels of mortality, turnover, disability, salary increases, and investment performance.
- (2) Such present value of benefits is reduced by the sum of:
  - (a) The present value of future employee contributions, taking into account the same items as enumerated in (1), above.
  - (b) The total liability for benefits earned to the valuation date.

The remainder is the portion of the present value of future benefits to be funded by employer contributions at the Consolidated Rate and is called the "Present Value of Future Employer Normal Costs."

- (3) The Consolidated Employer Contribution Rate is determined by dividing the Present Value of Future Employer Normal Costs by the present value of future salaries,

calculated taking into account those factors enumerated in item (1) above.

The total Employer Contribution Rate for each participating employer is the Consolidated Employer Contribution Rate plus that contribution rate sufficient to fund the unfunded accrued benefit liabilities of such employer over 40 years.

This method effectively spreads the portion of the total projected present value of benefits to be financed by future employer contributions over the expected future working lifetime of the currently covered group. It has the advantage that the effect of actuarial gains and losses (which arise from actual experience that deviates from the actuarial assumptions used) is automatically spread over this period.

EXHIBIT II  
ACTUARIAL ASSUMPTIONS

The following assumptions were used as the basis for the valuation included in the report:

- (1) Investment Yield: 5% per annum, net of expenses.
- (2) Assets: Valued at cost.
- (3) Experience: Active Employees
  - (a) Retirement Age - Police & Fire                    55 or 20 years service.  
- Others    55 or 30 years service.
  - (b) Disability - See attached Schedule I.
  - (c) Separation - See attached Schedule II.
  - (d) Mortality - 1951 Group Annuity Projection "C" to 1965.
  - (e) Earnings Progression - 5% increase per year.
- (4) Experience: Pensioners and Beneficiaries
  - (a) Mortality - Retired - 1951 Group Annuity Projection "C" to 1965.
  - (b) Disabled - 1944 Disabled Railway Employees Select Mortality Table.
- (5) Loading: None

Schedule I  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
OF ALASKA

Disability Rates

All Employees

Annual Rates Per 1,000 Employees

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	.70	45	1.62
21	.71	46	1.76
22	.72	47	1.91
23	.73	48	2.07
24	.74	49	2.23
25	.75	50	2.40
26	.76	51	2.60
27	.78	52	2.86
28	.80	53	3.18
29	.82	54	3.55
30	.84	55	4.00
31	.86	56	4.59
32	.88	57	5.34
33	.90	58	6.10
34	.93	59	7.20
35	.96	60	8.43
36	.99	61	9.75
37	1.03	62	11.30
38	1.07	63	13.05
39	1.11	64	14.90
40	1.15		
41	1.20		
42	1.27		
43	1.36		
44	1.48		

Schedule II

STATE OF ALASKA

VALUATION TURNOVER RATES

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	.3274	.3753
21	.2782	.3490
22	.2408	.3290
23	.2334	.3254
24	.2151	.3162
25	.1917	.3041
26	.1690	.2916
27	.1528	.2814
28	.1510	.2792
29	.1465	.2734
30	.1408	.2652
31	.1351	.2560
32	.1309	.2471
33	.1303	.2435
34	.1289	.2342
35	.1269	.2218
36	.1248	.2087
37	.1229	.1973
38	.1223	.1937
39	.1207	.1845
40	.1185	.1725
41	.1161	.1603
42	.1140	.1505
43	.1132	.1480
44	.1112	.1416
45	.1081	.1335
46	.1060	.1257
47	.1041	.1200
48	.1038	.1192
49	.1025	.1173
50	.1021	.1150
51	.1012	.1128
52	.1006	.1115
53	.1004	.1112
54	.0996	.1108
55	.0997	.1107
56	.0999	.1114
57	.1009	.1135
58	.1011	.1156
59	.1022	.1208
60	.1047	.1277

STATE OF ALASKA  
 PUBLIC EMPLOYEES' RETIREMENT FUND  
 Employer Contribution Rates  
 For Fiscal Year 1976

<u>Employer</u>	<u>Percentage</u>
Alaska Housing Finance Corporation	8.32
Alaska Municipal League	9.07
Alaska, State of	8.32
Alaska, University of	8.21
Alaska, University of, Geophysical Institute	8.21
Alaska Unorganized Borough Schools	8.32
Anchorage Borough Schools	8.52
Anchorage, City of	10.19
Anchorage, Area Borough, Greater	7.92
Bethel, City of	7.24
Bristol Bay Borough	8.24
Cordova, City of	8.94
Delta Junction, City of	8.12
Fairbanks (includes City and Utilities)	9.60
Galena, City Schools	6.44
Gateway Borough	8.38
Haines, City of	9.13
Hoonah City Schools	8.18
Juneau (includes Borough and School District)	8.33
Kenai, City of	7.82
King Cove, City of	8.12
King Cove City Schools	7.44
Kodiak, City of	9.08
Kotzebue, City of	7.93
Matanuska-Susitna Borough (includes School District)	8.53
Nome City Schools	11.99
Nome Municipal Utilities	9.10
North Slope Borough	7.69
North Star Borough (includes School District)	8.56
Petersburg, City of	10.41
Selawik School District	5.86
Sitka, City and Borough of (includes School District)	9.47
Skagway, City of	7.58
Soldotna, City of	8.39
Valdez, City of	8.18
Valdez City Schools	7.53
Wrangell, City of	9.12
Wrangell Public Schools	15.48

TOUCHE ROSS & CO.

510 L STREET, SUITE 600  
ANCHORAGE, ALASKA 99501

September 17, 1976

Board of Directors  
State of Alaska Public Employees  
Retirement System  
Juneau, Alaska

We have examined the statement of assets and equity arising from cash transactions of the State of Alaska Public Employees Retirement System as of June 30, 1976 and 1975, and the related statement of changes in equity for the years then ended. Our examination was made in accordance with generally accepted auditing standards and included confirmation of the cash and investment accounts at June 30, 1976 and 1975 by direct communication with the depositaries, custodians and servicing financial institutions, and such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned statements present fairly the assets and equity arising from cash transactions of the State of Alaska Public Employees Retirement System as of June 30, 1976 and 1975, and the changes in equity for the years then ended on a consistent basis.

*Touche Ross & Co.*

Certified Public Accountants

**STATE OF ALASKA  
PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**STATEMENT OF ASSETS AND EQUITY  
ARISING FROM CASH TRANSACTIONS**

	<u>June 30,</u>	
	<u>1976</u>	<u>1975</u>
<b><u>ASSETS</u></b>		
Cash	\$ 355,235	\$ 129,509
Certificates of deposit and savings accounts	1,208,807	1,418,204
Bonds, notes and debentures:		
United States Government, at cost (market \$45,945,516 in 1976, \$39,111,620 in 1975)	45,666,027	39,498,424
Other, at cost (market \$35,665,800 in 1976, \$16,464,684 in 1975)	35,521,942	17,525,447
Common stocks, at cost (market \$21,097,341 in 1976 and \$16,705,796 in 1975)	20,672,908	17,343,009
Real estate mortgages and SBA loans	<u>38,563,725</u>	<u>31,641,743</u>
	<u>\$141,988,644</u>	<u>\$107,556,336</u>
<b><u>EQUITY</u></b>		
Equity	<u>\$141,988,644</u>	<u>\$107,556,336</u>

See accompanying notes.

**STATE OF ALASKA**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**STATEMENT OF CHANGES IN EQUITY**  
**ARISING FROM CASH TRANSACTIONS**

	<u>Year ended June 30,</u>	
	<u>1976</u>	<u>1975</u>
Balance at beginning of year	\$107,556,336	\$ 89,606,549
Additions during the year:		
Employer contributions	22,712,558	13,435,344
Employee contributions	12,369,538	8,458,560
Investment income	<u>8,367,857</u>	<u>2,365,398</u>
	43,449,953	24,259,302
Deductions during the year:		
Refunds to terminating members	3,758,719	3,163,052
Retirement benefits paid	4,842,542	2,810,321
Administrative expenses	<u>416,384</u>	<u>336,142</u>
	<u>9,017,645</u>	<u>6,309,515</u>
Balance at end of year	<u>\$141,988,644</u>	<u>\$107,556,336</u>

See accompanying notes.

STATE OF ALASKA  
PUBLIC EMPLOYEES RETIREMENT SYSTEM

NOTES TO STATEMENTS

YEARS ENDED JUNE 30, 1976 AND 1975

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The State of Alaska Public Employees Retirement System, established January 1, 1961, is a contributory pension system covering substantially all full-time employees of the State of Alaska. In addition, employees of participating political subdivisions are included in the System. A separate retirement system covers teachers. Elected officials may participate in the System at their option.

Investments are stated at cost. Investment income consists of interest, dividends and the gain or loss on disposition of investments, which is the difference between the acquisition cost and the net sales proceeds.

Contributions, interest and dividends, retirement benefits, refunds to terminating members and administrative expenses are recorded when cash is received or disbursed. Deferred discount or premium on mortgages is amortized over the terms of the mortgages.

**NOTE B - DESCRIPTION OF THE SYSTEM:**

Peace officers and firemen contribute 5% of gross pay to the System; other members contribute 4-1/4%. Members earn interest on their contributions at the rate of 2-1/4%, credited semiannually. Employers contribute at actuarially determined rates which are estimated to be sufficient to annually fund current service costs and fund prior service costs over 40 years.

Peace officers and firemen are entitled to full retirement benefits upon completion of 20 years of service or at age 55. Other participants may retire at age 55 with at least five years of service or at any age with at least 30 years of service. All members of the System may take early retirement as defined in the System with reduced benefits. Upon termination, member contributions are refundable with accrued interest. All retirees receive a minimum monthly benefit of \$13.25 for each year of credited service.

**NOTE C - ACTUARIAL METHOD:**

The employer contribution rates are determined actuarially on the basis of the aggregate method with supplemental liability.

The amount of the actuarially determined unfunded prior service liability, which increased from \$22,000,000 in 1975 to \$52,600,000 in 1976, arises from legislation which has reduced retirement ages and retroactively increased benefits.

STATE OF ALASKA

TEACHERS  
RETIREMENT  
FUND

BOARD MEMBERS

<u>Name</u>	<u>Term Expires</u>
Jerome W. Norum, Chairman	January 31, 1979
Clifford A. Berge	January 31, 1977
Paul W. Bowen	January 31, 1978
Jean A. Johnson	July 31, 1978
Leah J. Peterson	July 1, 1978

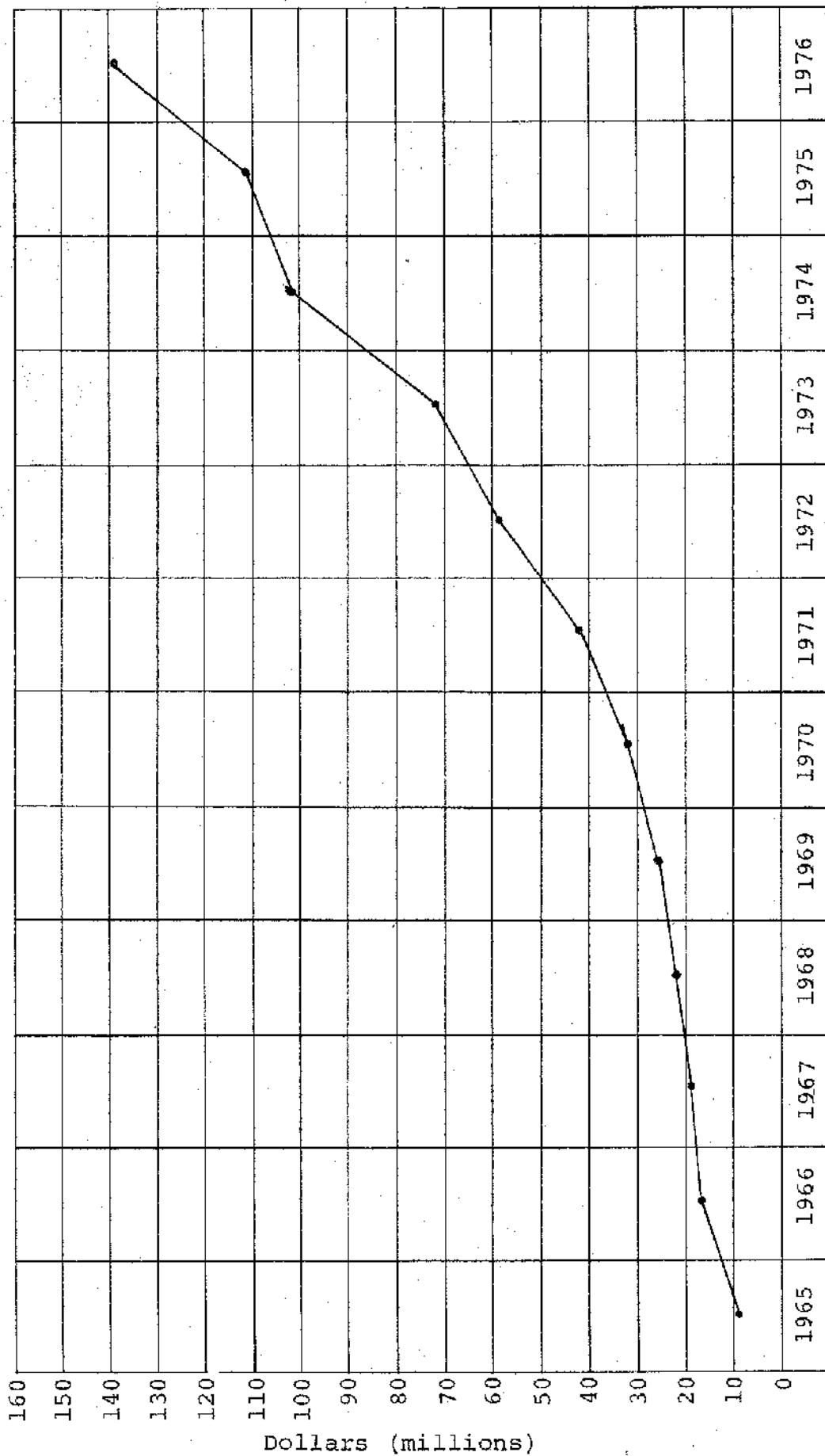
## STATE OF ALASKA

TEACHERS' RETIREMENT FUND  
 Historical Data  
 Fiscal Years 1964 through 1976  
 (cents omitted)

<u>Fiscal Year</u>	<u>Assets Fiscal Year End</u>	<u>Employers' Contributions During Fiscal Year</u>	<u>Employees' Contributions During Fiscal Year</u>	<u>Benefits Paid Including Death Benefits</u>	<u>Employees' Contributions and Interest Refunded During Fiscal Year</u>	<u>Net Investment Income During Fiscal Year</u>
1964	\$ 9,196,555	\$ 809,290	\$ 1,218,334	\$ 161,828	\$ 273,449	\$ 353,987
1965	11,525,883	1,262,117	1,200,977	216,260	363,594	479,150
1966	13,950,410	1,290,307	1,297,780	257,287	391,343	532,712
1967	17,703,808	1,791,537	2,050,955	298,082	438,256	702,305
1968	21,397,071	1,864,630	2,002,459	402,205	532,155	871,778
1969	26,198,453	1,983,226	2,853,414	592,162	638,713	1,222,182
1970	32,867,233	3,854,210	2,622,059	907,777	644,974	1,839,574
1971	44,985,043	6,408,602	5,284,693	1,057,714	641,652	2,199,640
1972	58,400,298	7,470,707	5,713,570	1,817,534	790,808	2,931,286
1973	73,979,377	9,543,907	6,820,652	2,493,491	1,312,958	3,181,537
1974	89,794,395	8,770,748	8,628,798	3,642,667	1,419,832	4,287,131
1975	105,797,313	11,526,213	9,147,206	4,574,494	1,896,431	1,844,773
1976	137,623,382	19,348,436	11,590,177	6,390,012	1,926,611	9,240,962

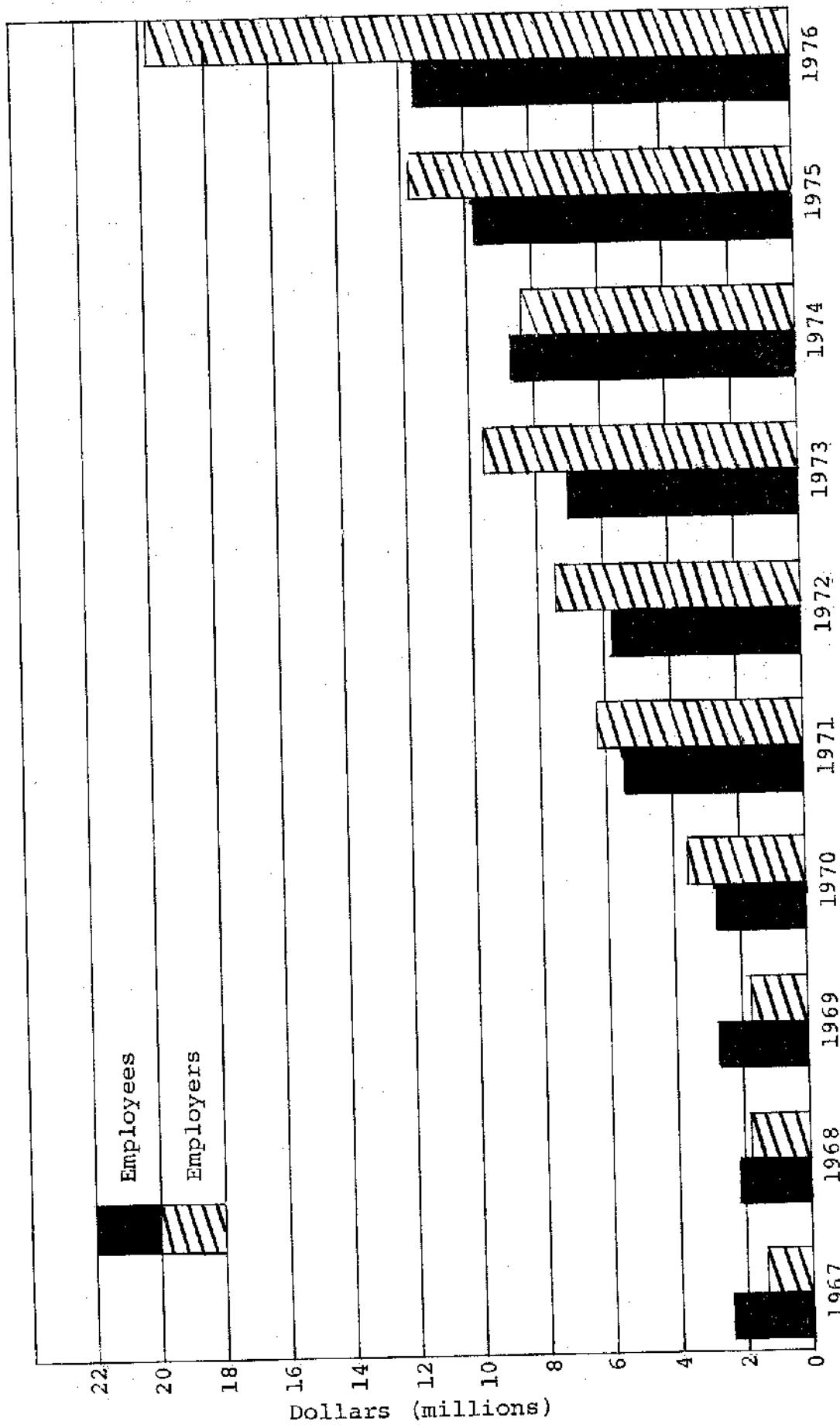
STATE OF ALASKA

TEACHERS' RETIREMENT FUND  
Total Assets  
Fiscal Years 1965 through 1976

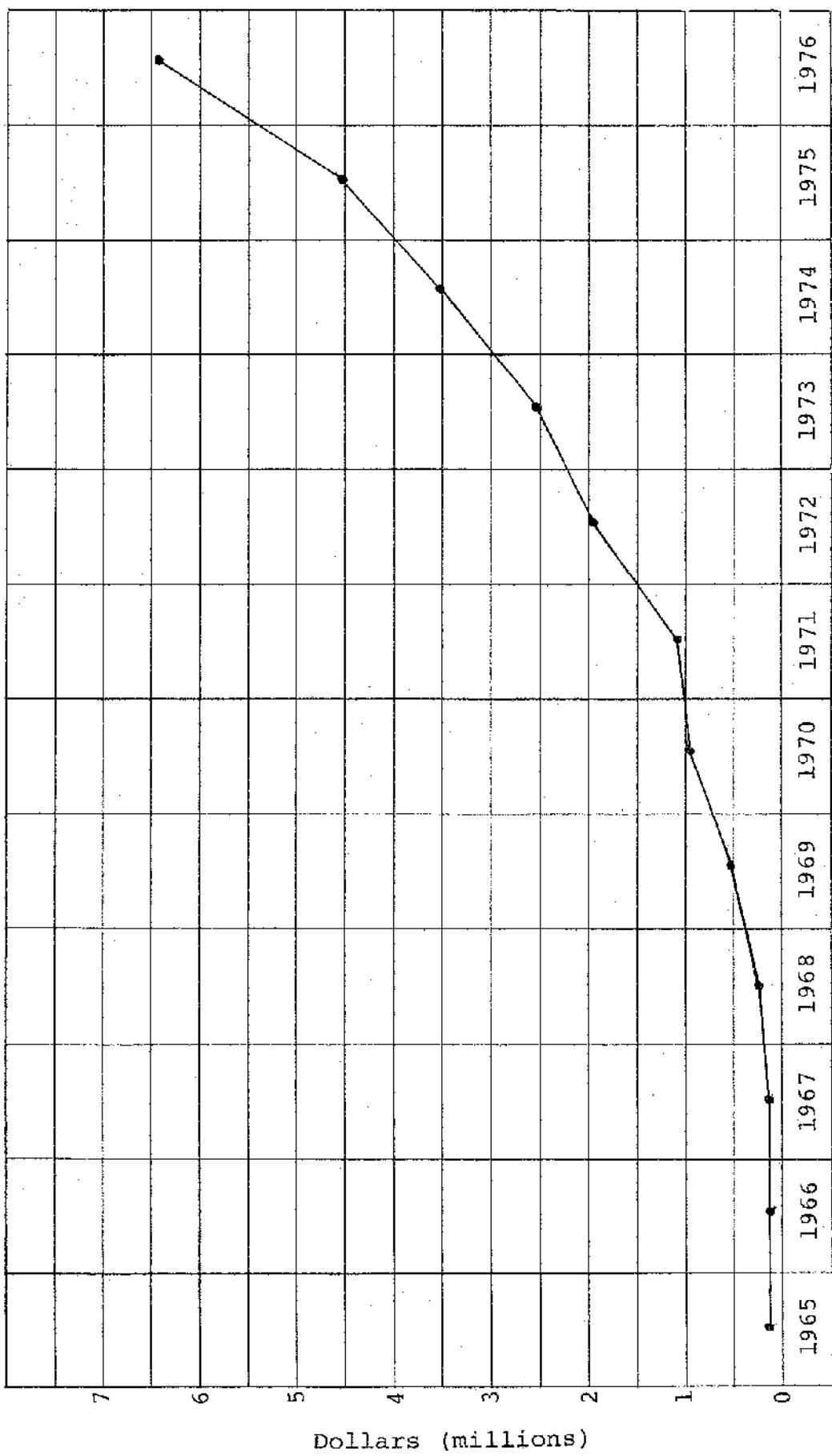


STATE OF ALASKA

TEACHERS' RETIREMENT FUND  
Employees' and Employers' Contributions  
Fiscal Years 1967 through 1976



STATE OF ALASKA  
TEACHERS' RETIREMENT FUND  
Benefits Paid  
Fiscal Years 1965 through 1976



STATE OF ALASKA  
TEACHERS' RETIREMENT SYSTEM  
Comparative Balance Sheet

ASSETS

June 30,  
1976              1975

Current Assets

Investments:		
Cash	\$	\$ 374
Short Term Debt Issues:		
Repurchase Agreements	600,000	2,400,000
Savings	59,085	46,100
Savings Certificates	2,400,000	3,350,000
Bankers Acceptances	10,916,167	
U.S. Agencies		1,500,000
Total Short Term Debt Issues	\$ 13,975,252	\$ 7,296,100
Fixed Income Marketable:		
U.S. Treasury Notes & Bonds	\$ 10,758,679	\$ 19,001,501
Federal Agency Securities	27,238,283	17,558,931
Corporate Notes & Bonds	21,977,420	11,384,190
Total Fixed Income Marketable	\$ 59,974,382	\$ 47,944,622
Loans and Mortgages:		
Private Placements	\$ 1,000,000	\$ 1,000,000
FHA	10,506,260	11,502,065
Small Business Loans	7,761,026	9,353,824
Conventional	16,696,082	5,932,153
Total Loans and Mortgages	\$ 35,963,368	\$ 27,788,042
Common Stock Account:		
Cash	\$	\$ 1,372
Fixed Income Issues		957,540
Common Stock	18,155,722	20,600,586
Total Common Stock Account	\$ 25,950,733	\$ 21,559,498
Total Investments	\$135,863,735	\$104,588,636
Other Current Assets		
Cash Pending Permanent Investment	\$ 1,759,647	\$ 1,208,677
Total Current Assets	\$137,623,382	\$105,797,313

EQUITIES AND RESERVES

Equities:		
Employees' Equities	\$ 58,706,269	\$ 46,787,750
Employers' Equities	55,941,032	44,179,839
Total Equities	\$114,647,301	\$ 90,967,589
Retirement Reserve	\$ 22,976,081	\$ 14,829,724
Total Equities and Reserves	\$137,623,382	\$105,797,313

STATE OF ALASKA  
TEACHERS' RETIREMENT FUND  
Comparative Statement of Operations

	Fiscal Year Ended	
	<u>June 30,</u> <u>1976</u>	<u>June 30,</u> <u>1975</u>
Beginning Equities and Reserves	\$105,797,313	\$ 89,794,395
Additions:		
Employees' Contributions:		
Mandatory	\$ 10,422,963	\$ 8,050,824
Reinstatement	66,678	70,613
Arrearages	518,001	490,787
Retroactive	110,045	154,159
Supplemental	472,490	380,823
Total Employees' Contributions	<u>\$ 11,590,177</u>	<u>\$ 9,147,206</u>
Employers' Contributions	\$ 9,632,759	\$ 4,883,429
State Contributions:		
Matching	\$ 9,715,677	\$ 4,868,612
State Employer & Matching	\$ 1,774,172	
Total State Contributions	<u>\$ 9,715,677</u>	<u>\$ 6,642,784</u>
Net Investment Income	\$ 9,240,962	\$ 1,844,774
Interest earned on Employees' Indebtedness	<u>369,535</u>	<u>297,606</u>
Total Additions	<u>\$ 40,549,110</u>	<u>\$ 22,815,799</u>
Total Equities, Reserves and Additions	<u>\$146,346,423</u>	<u>\$112,610,195</u>
Deductions:		
Administrative Expenses:		
Personal Services	\$ 192,396	\$ 163,340
Travel	10,515	10,309
Contractual Services	71,646	76,712
Commodities	1,809	2,506
Equipment	2,452	1,587
Inter-Agency Service	127,600	87,500
Total Administrative Expenses	<u>\$ 406,418</u>	<u>\$ 341,955</u>
Employees' Contributions & Interest Refunded	\$ 1,926,611	\$ 1,896,432
Retirement Benefits Paid	<u>\$ 6,390,012</u>	<u>\$ 4,574,494</u>
Total Deductions	<u>\$ 8,723,041</u>	<u>\$ 6,812,881</u>
Ending Equities and Reserves	<u>\$137,623,382</u>	<u>\$105,797,313</u>

STATE OF ALASKA  
 TEACHERS' RETIREMENT FUND  
 COMMON STOCKS PURCHASED  
 7/1/75 through 6/30/76

<u>Issues</u>	<u>Shares</u>	<u>Total Cost</u>
Atlantic Richfield Co.	5,000	\$ 445,060
Boise Cascade Corp.	4,300	96,070
Burroughs Corporation	2,000	202,340
CBS Inc.	5,000	291,150
Caterpillar Tractor Co.	6,000	399,087
Chubb Corp.	1,500	59,812
Digital Equipment Corp.	1,400	171,588
Eastman Kodak Co.	4,000	413,742
Exxon Corporation	1,300	124,595
Georgia Pacific Corp.	5,155	211,216
International Business Machines Corp.	1,000	217,440
Joy Mfg. Co.	8,000	332,299
Marathon Oil Co.	5,000	251,775
McDonald's Corp.	100	5,280
Monsanto Company	2,000	141,657
Montana Power Co.	33,000	779,186
National Semiconductor Corp.	3,000	128,210
Norton Simon, Inc.	9,175	206,413
Ryder System, Inc.	20,000	155,945
Safeco Corp.	7,000	227,875
Sperry Rand Corp.	1,000	47,600
Stauffer Chemical Co.	4,000	327,915
Sundstrand Corp.	17,200	338,682
United Air Lines, Inc.	5,000	104,300
Union Oil Co. of California	10,000	503,600
Union Pacific Corp.	100	9,026
<b>Total</b>		<b>\$6,191,863</b>

## STATE OF ALASKA

TEACHERS' RETIREMENT FUND  
COMMON STOCKS SOLD  
7/1/75 through 6/30/76

<u>Issues</u>	<u>Shares</u>	<u>Cost</u>	<u>Proceeds</u>	<u>Gain or (Loss)</u>
Aluminum Co. of America	1,000	\$ 37,281	\$ 48,855	\$ 11,574
Amax, Inc.	12,500	515,452	620,980	105,528
Armco Steel Corp.	5,000	116,740	158,007	41,267
Atlantic Richfield Co.	3,000	304,321	268,468	(35,853)
Baker Oil Tools, Inc.	2,000	66,994	114,274	47,280
Bankamerica Corp.	2,000	80,203	104,875	24,672
Boise Cascade Corp.	10,300	178,417	231,547	53,130
CBS Inc.	10,000	365,169	523,542	158,373
Caterpillar Tractor Co.	1,000	66,514	87,828	21,314
Communications Satellite Corp.	10,000	329,656	280,051	(49,605)
Crown-Zellerbach Corporation	15,000	453,602	532,339	78,737
Delta Air Lines, Inc.	5,000	221,042	208,778	(12,264)
Digital Equipment Corp.	200	18,059	34,836	16,777
Dow Chemical Co.	500	32,590	54,144	21,554
Eastman Kodak Co.	9,900	933,721	1,093,833	160,112
Exxon Corporation	2,000	157,593	174,926	17,333
Federated Department Stores, Inc.	4,000	168,845	219,465	50,620
General Cable Corp.	15,000	250,607	161,331	(89,276)
Getty Oil Co.	2,000	254,312	330,976	76,664
Halliburton Co.	1,000	169,873	171,524	1,651
International Business Machines Corp.	500	111,029	128,345	17,316
S. S. Kresge Co.	3,000	78,660	84,688	6,028
Eli Lilly and Company	6,500	476,743	359,165	(117,578)
J. Ray McDermott & Co.	10,000	452,203	453,878	1,675
McDonald's Corp.	2,000	108,061	125,421	17,360
Monsanto Company	8,500	525,362	798,076	272,714
Motorola, Inc.	3,000	127,208	140,625	13,417
National Semiconductor Corp.	3,000	128,210	161,095	32,885
J. C. Penney Company, Inc.	2,500	204,388	119,970	(84,418)
Phillip Morris, Inc.	10,000	540,129	463,464	(76,665)
Reynolds Industries, Inc.	6,500	322,758	355,806	33,048
Ryder System, Inc.	10,000	122,880	116,258	(6,622)
Southland Corp.	4,900	91,508	114,912	23,404
Texas Instruments Incorporated	2,000	145,584	242,106	96,522
United Air Lines, Inc.	15,000	284,005	402,764	118,759
United States Steel Corp.	3,500	210,646	251,321	40,675
Xerox Corp.	2,000	190,622	139,297	(51,325)
<b>Total</b>		<b>\$8,840,987</b>	<b>\$9,877,770</b>	<b>\$1,036,783</b>

STATE OF ALASKA  
 TEACHERS' RETIREMENT FUND  
 Investment Summary  
 June 30, 1976

	<u>Cost Value</u>	<u>Market Value</u>
	<u>\$</u>	<u>\$</u>
Cash	<u>\$ -0-</u>	<u>\$ -0-</u>
 Short Term Debt Issues:		
Repurchase Agreements	\$ 600,000	\$ 600,000
Bankers Acceptances	10,916,167	10,944,676
Savings Account	59,085	59,085
Savings Certificates	2,400,000	2,390,799
Total Short Term Debt Issues	<u>\$ 13,975,252</u>	<u>\$ 13,994,560</u>
 Fixed Income Marketable:		
U. S. Treasury Notes & Bonds	\$ 10,758,679	\$ 10,787,243
Federal Agency Securities	27,238,283	27,253,058
Corporate Notes & Bonds	21,977,420	22,033,125
Total Fixed Income Marketable	<u>\$ 59,974,382</u>	<u>\$ 60,073,426</u>
 Loans and Mortgages:		
Private Placements	\$ 1,000,000	\$ 960,000
FHA	10,506,260	9,656,782
Small Business Loans	7,761,026	7,267,964
Conventional	16,696,082	17,231,232
Total Loans and Mortgages	<u>\$ 35,963,368</u>	<u>\$ 35,115,978</u>
 Common Stock Account:		
Cash	\$ -0-	\$ -0-
Fixed Income Issues	7,795,011	7,793,404
Common Stock	18,155,722	22,468,978
Total Common Stock Account	<u>\$ 25,950,733</u>	<u>\$ 30,262,382</u>
 Total Investments	<u>\$135,863,735</u>	<u>\$139,446,346</u>

## STATE OF ALASKA

TEACHERS' RETIREMENT FUND  
 Assets Owned  
 as of June 30, 1976

<u>Description</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>% Yield at Cost</u>
CASH					
Demand Account		\$ -0-	\$ -0-	\$ -0-	
<u>SHORT TERM DEBT ISSUES</u>					
Total Cash		\$ -0-	\$ -0-	\$ -0-	
Repurchase Agreements	07/01/76	\$ 600,000	\$ 600,000	\$ 600,000	5.50
Bankers Acceptances	Various	\$11,000,000	\$10,916,167	\$10,944,676	5.71
Savings Account		\$ 59,085	\$ 59,085	\$ 59,085	5.00
<u>Savings Certificates:</u>					
Alaska Federal Savings & Loan	07/01/76	\$ 200,000	\$ 200,000	\$ 200,000	6.75
Alaska Federal Savings & Loan	10/12/76	\$ 175,000	\$ 175,000	\$ 174,865	7.50
Alaska Federal Savings & Loan	07/01/77	\$ 200,000	\$ 200,000	\$ 198,576	6.75
Alaska Federal Savings & Loan	10/12/77	\$ 175,000	\$ 175,000	\$ 175,283	7.75
Alaska Federal Savings & Loan	10/12/78	\$ 100,000	\$ 100,000	\$ 99,571	7.75
Arctic First Federal Savings & Loan	02/15/77	\$ 200,000	\$ 200,000	\$ 200,578	7.50
Arctic First Federal Savings & Loan	10/10/78	\$ 150,000	\$ 150,000	\$ 148,591	7.50
Arctic First Federal Savings & Loan	07/15/79	\$ 200,000	\$ 200,000	\$ 196,548	7.50
Arctic First Federal Savings & Loan	07/15/80	\$ 200,000	\$ 200,000	\$ 196,926	7.50
First Federal Savings & Loan	07/01/76	\$ 163,000	\$ 163,000	\$ 163,000	6.75
First Federal Savings & Loan	10/13/76	\$ 100,000	\$ 100,000	\$ 100,208	7.50
First Federal Savings & Loan	01/01/77	\$ 200,000	\$ 200,000	\$ 200,680	7.50
First Federal Savings & Loan	06/30/77	\$ 100,000	\$ 100,000	\$ 100,094	7.50
First Federal Savings & Loan	06/30/78	\$ 137,000	\$ 137,000	\$ 135,879	7.50

## STATE OF ALASKA

## TEACHERS' RETIREMENT FUND

Assets Owned

as of June 30, 1976

Description	Coupon Rate	Maturity Date	Par Value	Cost Value	Market Value	% Yield at Cost
<u>SHORT TERM DEBT ISSUES - Continued</u>						
Savings Certificates - Continued:						
Mt. McKinley Mutual Savings Bank		02/25/77	\$ 100,000	\$ 100,000	\$ 100,000	7.00
Sub-Total			\$ 2,400,000	\$ 2,400,000	\$ 2,390,799	
Total Short Term Debt Issues			\$14,059,085	\$13,975,252	\$13,994,560	
<u>FIXED INCOME MARKETABLE ISSUES</u>						
U. S. Agencies:						
Federal National Mortgage Assn.	8.75	09/10/80	\$ 2,500,000	\$ 2,528,906	\$ 2,590,625	8.65
Federal Intermediate Credit Banks	7.90	01/05/81	1,000,000	1,016,882	1,006,250	7.77
Federal Land Banks	8.80	10/21/85	8,750,000	8,827,734	9,143,750	8.72
Federal Intermediate Credit Banks	7.95	04/01/86	7,500,000	7,556,250	7,481,250	7.89
Federal Land Banks	7.75	04/22/91	2,500,000	2,529,688	2,482,800	7.66
GNMA Mortgage Backed Sec. Pool #51153	7.25	11/15/04	480,903	443,042	437,621	7.87
GNMA Mortgage Backed Sec. Pool #5903	7.25	02/15/05	984,064	908,264	895,497	7.85
GNMA Mortgage Backed Sec. Pool #5619	8.00	04/15/05	462,839	455,035	444,325	8.14
GNMA Mortgage Backed Sec. Pool #7044	8.00	06/15/05	1,011,790	994,723	971,317	8.14
GNMA Mortgage Backed Sec. Pool #7638	7.25	08/15/05	493,741	458,962	449,304	7.80
GNMA Mortgage Backed Sec. Pool #8578	7.25	11/15/05	499,233	460,799	454,302	7.85
GNMA Mortgage Backed Sec. Pool #7057	8.50	12/15/05	314	319	314	8.37
GNMA Mortgage Backed Sec. Pool #9110	8.50	01/15/06	2,540	2,572	2,539	8.39
GNMA Mortgage Backed Sec. Pool #9082	8.50	03/15/06	603	616	603	8.33
GNMA Mortgage Backed Sec. Pool #1250	8.10	10/15/11	504,636	539,962	466,788	7.57
GNMA Mortgage Backed Sec. Pool #1599	7.00	07/15/12	514,529	514,529	425,773	7.00
			\$27,205,192	\$27,238,283	\$27,253,058	

## STATE OF ALASKA

TEACHERS' RETIREMENT FUND  
 Assets Owned  
 as of June 30, 1976

<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>% Yield at Cost</u>
<b>FIXED INCOME MARKETABLE ISSUES - Continued</b>						
U. S. Treasury Notes & Bonds:						
U. S. Treasury Notes	5.37	05/15/81	\$ 5,000,000	\$ 5,009,375	\$ 4,968,750	7.36
U. S. Treasury Notes	7.87	11/15/82	1,300,000	1,296,429	1,310,556	7.90
U. S. Treasury Bonds	7.87	02/15/00	3,250,000	3,157,403	3,180,937	8.13
U. S. Treasury Bonds	8.37	08/15/00	300,000	297,972	308,250	8.43
U. S. Treasury Bonds	8.25	05/15/05	1,000,000	997,500	1,018,750	8.27
					<u>\$10,758,679</u>	
					<u>\$10,787,243</u>	
Corporate Notes and Bonds:						
Revlon, Inc.	8.45	05/01/85	\$ 1,000,000	\$ 1,000,000	\$ 1,013,750	8.45
Pacific Gas & Electric Co.	9.50	06/01/85	1,250,000	1,243,750	1,315,625	9.55
Montgomery Ward Credit Corp.	9.60	02/01/95	1,000,000	1,000,000	1,015,000	9.60
Union Oil Co. of California	6.62	06/01/93	750,000	708,232	618,750	7.01
Diamond Shamrock Corp.	9.30	04/01/99	1,000,000	1,020,000	1,012,500	8.82
Pfizer, Inc.	8.50	04/15/99	500,000	470,125	501,250	9.04
General Motors Acceptance Corp.	3.75	02/01/00	1,000,000	995,000	1,002,500	8.79
Pfizer, Inc.	9.25	08/15/00	1,000,000	995,000	1,035,000	9.93
Ashland Oil, Inc.	10.00	09/01/00	500,000	500,000	525,000	10.00
International Minerals & Chemical Corp.	9.35	11/01/00	1,000,000	1,000,000	1,032,500	9.35
Ford Motor Credit Co.	9.75	01/15/01	1,000,000	993,750	1,035,000	9.81
Amax, Inc.	8.62	03/01/01	1,000,000	1,005,000	987,500	8.58
C.I.T. Financial Corp.	8.37	04/01/01	1,000,000	992,500	947,500	8.44
Liggett & Meyers, Incorporated	8.62	04/15/01	1,250,000	1,253,433	1,231,250	8.60
Cyprus Mines Corp.	8.50	04/15/01	1,250,000	1,250,000	1,200,000	8.50
Bankamerica Corp.	8.75	05/01/01	1,250,000	1,237,500	1,243,750	8.84
Philip Morris, Inc.	8.87	06/01/04	1,000,000	1,008,750	1,005,000	8.80

## STATE OF ALASKA

TEACHERS' RETIREMENT FUND  
 Assets Owned  
 as of June 30, 1976

<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>% Yield at Cost</u>
<b>FIXED INCOME MARKETABLE ISSUES - Continued</b>						
Corporate Notes and Bonds - Continued:						
Mobil Alaska Pipeline Corp.	8.45	03/01/05	\$ 500,000	\$ 492,500	\$ 493,750	8.58
Texaco, Inc.	8.87	05/01/05	1,000,000	1,002,500	1,020,000	8.85
Shell Oil Company	8.75	05/15/05	1,000,000	1,018,750	1,012,500	8.59
Standard Oil Co. of California	8.75	07/01/05	500,000	510,000	506,250	8.58
Kerr-McGee Corp.	8.50	06/01/06	1,250,000	1,240,625	1,243,750	8.56
New York Telephone Co.	9.00	05/01/14	1,000,000	1,040,000	1,035,000	8.65
Sub-Total			\$22,000,000	\$21,977,420	\$22,033,125	
Total Fixed Income Marketable Issues			\$60,055,192	\$59,974,382	\$60,073,426	
<b>LOANS AND MORTGAGES - By Servicing Agent</b>						
Private Placements:						
M.G.I.C. Mortgage Corporation Notes	7.75	12/15/77	\$ 1,000,000	\$ 1,000,000	\$ 960,000	7.75
FHA Mortgages:						
Alaska Mutual Savings Bank	6.00		\$ 444,526	\$ 414,787	\$ 358,688	6.39
Alaska Mutual Savings Bank	6.75		122,419	115,061	103,848	7.07
Alaska Mutual Savings Bank	7.50		463,473	435,758	412,352	7.84
Alaska Mutual Savings Bank	8.00		95,219	92,372	87,344	7.92
Alaska Mutual Savings Bank	8.50		647,336	647,335	611,603	8.00
Alaska Mutual Savings Bank	5.75		67,197	65,854	52,945	5.43
Alaska National Bank	5.25		278,689	265,870	214,647	5.19
Alaska State Bank	6.00		474,757	458,711	383,082	5.94
Alaska State Bank	7.00		303,410	288,543	261,570	7.47

## STATE OF ALASKA

TEACHERS' RETIREMENT FUND  
 Assets Owned  
 as of June 30, 1976

Description

LOANS AND MORTGAGES - By Servicing Agency -  
 Continued

## FHA Mortgages - Continued:

<u>Coupon Rate</u>	<u>Par Value</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>% Yield at Cost</u>
7.50	\$ 71,021	\$ 70,134	\$ 63,188	7.30
8.50	93,167	98,328	88,024	8.76
8.50	400,746	379,827	378,625	7.30
Alaska State Bank				
First National Bank of Anchorage				
First National Bank of Anchorage	188,041	182,400	144,829	4.88
First National Bank of Anchorage	21,489	20,307	16,849	5.18
First National Bank of Anchorage	263,198	267,146	207,374	5.01
First National Bank of Anchorage	1,404,870	1,302,736	1,249,912	8.03
First National Bank of Anchorage	1,176,339	1,133,050	1,111,405	8.53
First National Bank of Anchorage	471,142	441,696	445,135	9.05
First National Bank of Ketchikan	30,493	29,273	23,485	5.12
National Bank of Alaska				
National Bank of Alaska	48,619	45,945	37,446	5.30
National Bank of Alaska	147,762	140,788	119,229	6.12
National Bank of Alaska	2,656,852	2,526,667	2,290,472	7.30
National Bank of Alaska	107,673	107,199	95,797	7.19
National Bank of Alaska	46,752	48,389	42,886	7.15
Peoples Bank & Trust	29,812	28,733	26,524	7.50
Rainier Mortgage Company	100,584	95,555	77,470	5.21
Rainier Mortgage Company	155,286	150,037	125,300	5.94
Rainier Mortgage Company	327,167	314,178	291,080	7.55
Rainier Mortgage Company	355,284	339,581	335,673	8.64
Sub-Total	\$10,993,323	\$10,506,260	\$ 9,656,782	

## Small Business Loans:

Alaska National Bank	
Alaska National Bank	
Alaska National Bank	

8.00	\$ 318,775	\$ 318,775	\$ 281,032	7.50
9.00	\$ 133,648	\$ 133,648	\$ 125,015	8.50
10.00	\$ 117,469	\$ 117,469	\$ 116,200	9.50

## STATE OF ALASKA

TEACHERS' RETIREMENT FUND  
Assets Owned  
as of June 30, 1976

Description

LOANS AND MORTGAGES - By Servicing Agency -  
Continued

<u>Description</u>	<u>Coupon Rate</u>	<u>Par Value</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>% Yield at Cost</u>
<b>Small Business Loans - Continued:</b>					
B. M. Behrends Bank	8.75	\$ 280,986	\$ 280,986	\$ 259,069	8.25
B. M. Behrends Bank	10.00	314,299	314,299	310,904	9.50
National Bank of Alaska	3.00	2,478,291	2,478,291	2,184,862	7.50
National Bank of Alaska	8.50	157,224	157,224	142,838	8.00
National Bank of Alaska	8.75	464,381	464,381	428,159	8.25
National Bank of Alaska	9.00	407,227	407,227	380,920	8.25
National Bank of Alaska	9.25	1,682,309	1,682,309	1,596,343	8.75
National Bank of Alaska	9.50	47,623	47,623	45,828	9.00
National Bank of Alaska	10.50	1,057,134	1,057,134	1,074,048	10.00
National Bank of Alaska	11.50	301,660	301,660	322,746	11.00
Sub-Total		<u>\$ 7,761,026</u>	<u>\$ 7,761,026</u>	<u>\$ 7,267,964</u>	
<b>Conventional/Residential Mortgages:</b>					
Alaska Bank of Commerce	9.25	\$ 55,553	\$ 55,553	\$ 54,187	8.94
Alaska Bank of Commerce	9.50	236,144	236,144	233,547	9.19
Alaska Bank of Commerce	9.50	260,803	260,803	257,934	9.19
Alaska Bank of Commerce	9.62	84,959	84,959	84,492	9.30
Alaska Bank of Commerce	9.75	1,717,452	1,717,452	1,717,452	9.44
Alaska Bank of Commerce	9.75	546,287	546,287	546,287	9.50
Alaska Bank of Commerce	10.25	808,072	808,072	832,395	10.00
Alaska Bank of Commerce	10.50	392,164	392,164	409,341	10.31
Alaska Bank of Commerce	10.50	111,598	111,598	116,486	10.19
Alaska Bank of Commerce	10.75	88,154	88,154	93,223	10.44
Alaska Bank of Commerce	10.75	700,753	700,753	741,047	10.57
Alaska Bank of Commerce	11.00	238,494	238,494	255,475	10.78
Alaska Bank of Commerce	11.25	218,430	218,430	235,609	11.00

## STATE OF ALASKA

TEACHERS' RETIREMENT FUND  
 Assets Owned  
 as of June 30, 1976

LOANS AND MORTGAGES - By Servicing Agency -  
 Continued

## Conventional/Residential Mortgages -

Continued:

<u>Description</u>	<u>Coupon Rate</u>	<u>Par Value</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>% Yield at Cost</u>
Alaska Bank of Commerce	11.25	\$ 239,667	\$ 239,667	\$ 258,457	10.63
Alaska Bank of Commerce	12.00	503,224	503,224	553,546	12.00
Alaska Mutual Savings Bank	9.12	64,018	64,018	62,001	8.94
Alaska Mutual Savings Bank	9.25	341,042	341,042	332,652	8.94
Alaska Mutual Savings Bank	9.50	39,482	39,482	39,048	9.19
Alaska Mutual Savings Bank	10.75	84,365	84,365	89,215	10.44
Alaska Mutual Savings Bank	10.75	159,789	159,789	168,977	10.44
Alaska Mutual Savings Bank	11.00	789,198	789,198	845,389	11.00
Alaska Mutual Savings Bank	12.00	267,043	267,043	293,747	11.81
Alaska National Bank	11.00	562,500	562,500	602,550	10.75
Alaska National Bank	12.00	1,073,391	1,073,391	1,180,731	12.00
Alaska State Bank	11.00	1,068,664	1,068,664	1,144,753	10.60
Arctic First Federal Savings & Loan	9.75	129,384	129,384	129,383	9.44
Arctic First Federal Savings & Loan	10.75	97,035	97,035	102,614	10.44
B. M. Behrends Bank	9.25	59,203	59,203	57,747	8.94
B. M. Behrends Bank	9.50	198,533	198,533	196,350	9.20
B. M. Behrends Bank	9.75	108,794	108,794	108,794	9.44
B. M. Behrends Bank	10.00	174,686	174,686	177,900	9.88
B. M. Behrends Bank	10.75	17,218	17,218	18,208	10.44
Mt. McKinley Mutual Savings Bank	9.25	141,836	141,836	138,347	8.94
Mt. McKinley Mutual Savings Bank	9.75	441,643	441,643	441,643	9.44
Mt. McKinley Mutual Savings Bank	9.75	17,051	17,051	17,051	9.44
Mt. McKinley Mutual Savings Bank	10.75	99,470	99,470	105,190	10.44
National Bank of Alaska	9.25	344,749	344,749	336,268	8.94
National Bank of Alaska	9.50	460,281	460,281	455,218	9.19
National Bank of Alaska	9.75	283,073	283,073	283,073	9.57

## STATE OF ALASKA

TEACHERS' RETIREMENT FUND  
 Assets Owned  
 as of June 30, 1976

Description

LOANS AND MORTGAGES - By Servicing Agency -  
 Continued

## Conventional/Residential Mortgages -

## Continued:

<u>Coupon Rate</u>	<u>Par Value</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>% Yield at Cost</u>
9.75	\$ 1,435,192	\$ 1,435,192	\$ 1,435,192	9.44
9.80	60,159	60,159	60,380	9.50
10.00	96,608	96,608	98,385	9.69
10.25	123,685	123,685	127,408	9.94
10.75	291,679	291,679	308,450	10.44
9.25	79,785	79,785	77,823	8.94
9.50	80,000	80,000	79,120	9.19
9.75	266,982	266,982	266,982	9.56
9.75	383,876	383,876	383,876	9.44
9.75	68,901	68,901	68,901	9.44
10.25	99,958	99,958	102,967	10.07
10.25	226,697	226,697	233,520	10.07
10.00	26,123	26,123	26,603	9.69
10.25	83,186	83,186	85,690	10.07
11.00	148,999	148,999	159,608	10.82
	<u>\$16,696,082</u>	<u>\$16,696,082</u>	<u>\$17,231,232</u>	
	<u>\$36,450,431</u>	<u>\$35,963,368</u>	<u>\$35,115,978</u>	

Total Loans and Mortgages

## STATE OF ALASKA

TEACHERS' RETIREMENT FUND  
 Assets Owned  
 as of June 30, 1976

<u>Description</u>	<u>Annual Dividend</u>	<u>Maturity Date</u>	<u>Par Value or Shares</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>% Yield at Cost</u>
<b>COMMON STOCK ACCOUNT</b>						
Cash/Demand				\$ -0-	\$ -0-	
Savings Deposit				\$ 584,074	\$ 584,074	5.00
<b>Short Term Issues:</b>						
Commercial Paper:						
General Telephone Co. of Northwest		500,000	\$ 500,000		\$ 500,000	5.75
Sears Roebuck Acceptance Corp.	07/16/76	500,000	\$ 500,000	\$ 1,000,000	\$ 1,000,000	5.65
Sub-Total						
Repurchase Agreement	07/02/76	500,000	\$ 500,000	\$ 1,500,000	\$ 1,500,000	5.00
Sub-Total						
Fixed Income Issues:						
U. S. Treasury Notes 6.50%		2,000,000	\$ 2,006,875		\$ 2,003,120	6.48
U. S. Treasury Notes 6.625%		3,000,000	\$ 3,004,062		\$ 2,997,180	6.62
U. S. Treasury Notes 8.00%	02/15/83	200,000		200,000	203,250	8.00
U. S. Treasury Notes 7.875%	05/15/86	500,000		500,000	505,780	7.88
Sub-Total					\$ 5,710,937	
Common Stock:						
Aluminum Co. of America		10,000	\$ 372,814		\$ 565,000	3.59
Amerada Hess Corp.		3,151	\$ 87,330		\$ 70,504	1.08
American Home Products Corp.		13,000	\$ 514,258		\$ 445,250	2.53
American Telephone & Telegraph Co.		15,000	\$ 696,570		\$ 847,500	8.18
Atlantic Richfield Co.		5,000	\$ 445,060		\$ 522,500	2.81

## STATE OF ALASKA

TEACHERS' RETIREMENT FUND  
 Assets Owned  
 as of June 30, 1976

<u>Description</u>	<u>Annual Dividend</u>	<u>Maturity Date</u>	<u>Par Value or Shares</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>% Yield at Cost</u>
<u>COMMON STOCK ACCOUNT - Continued</u>						
Common Stock - Continued:						
Baker International Corp.	.46		12,000	\$ 401,964	\$ 579,000	1.37
Bankamerica Corp.	1.56		14,000	561,422	787,500	3.89
Boise Cascade Corp.	.80		30,000	541,247	783,750	4.34
Burroughs Corporation	.68		2,000	202,340	208,000	.67
Caterpillar Tractor Co.	2.25		5,000	332,573	455,625	3.38
CBS Inc.	1.66		10,000	473,735	587,500	3.50
Chubb Corp.	1.40		12,000	461,120	432,000	3.64
Communications Satellite Corp.	1.00		10,000	329,656	261,250	3.03
Continental Oil Co.	1.20		20,000	555,240	767,500	4.32
Delta Air Lines, Inc.	.60		5,000	221,020	222,500	1.36
Digital Equipment Corp.			4,000	361,188	707,000	
Dow Chemical Co.			7,000	228,132	337,750	3.07
Exxon Corporation	5.60		9,300	755,332	973,012	6.89
Federated Department Stores, Inc.	1.36		4,000	168,845	190,500	3.22
General Reinsurance Corp.	.40		2,500	403,857	412,500	.25
Georgia-Pacific Corp.	1.20		12,240	437,124	630,360	3.36
Getty Oil Co.	2.00		3,000	381,468	568,875	1.57
International Business Machines Corp.	7.00		7,500	7,500	2,075,625	3.15
Joy Mfg. Co.	1.10		8,000	1,332,299	404,000	2.65
Marathon Oil Co.	2.00		10,000	436,296	580,000	4.58
McDonald's Corp.	.10		8,000	432,246	468,000	.18
Monsanto Company	2.80		3,500	216,326	326,375	4.53
Montana Power Co.	1.80		33,000	779,186	808,500	7.62
Norton Simon, Inc.	.50		30,000	573,479	596,250	2.62
Ryder System, Inc.			35,000	430,080	494,375	
Safeco Corp.	1.10		10,000	323,312	387,500	3.40
Schering-Plough Corp.	.88		6,300	437,639	364,276	1.37

## STATE OF ALASKA

TEACHERS' RETIREMENT FUND  
 Assets Owned  
 as of June 30, 1976

<u>Description</u>	<u>Annual Dividend</u>	<u>Maturity Date</u>	<u>Par Value or Shares</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>% Yield at Cost</u>
<u>COMMON STOCK ACCOUNT - Continued</u>						
Common Stock - Continued:						
Southland Corp.	.50		11,098	\$ 210,915	\$ 271,901	2.63
Sperry Rand Corp.	.76		10,000	\$ 416,532	\$ 512,500	1.82
Stauffer Chemical Co.	1.34		8,000	327,915	351,000	3.27
Sundstrand Corp.	1.00		32,000	678,799	1,132,000	4.71
Syntex Corp.	.50		10,500	423,826	342,562	1.24
Texas Instruments Incorporated	1.00		3,000	218,376	381,000	1.37
United Air Lines, Inc.	.60		5,000	94,679	138,750	3.17
Union Oil Co. of California	2.10		10,000	503,600	547,500	4.17
Union Pacific Corp.	2.80		100	9,026	9,238	3.10
United States Steel Corp.	2.20		12,000	481,247	651,000	5.49
Whirlpool Corporation	.80		10,000	232,217	271,250	3.44
Sub-Total				\$ 18,155,722	\$ 22,468,978	
Total Common Stock				\$ 25,950,733	\$ 30,262,382	
Total Assets				\$ 135,863,735	\$ 139,446,346	

September 27, 1976

Mr. Andrew S. Warwick  
Commissioner of Administration  
State of Alaska  
Department of Administration  
Pouch C  
Juneau, Alaska 99801

Actuarial Status -  
Alaska Teachers' Retirement System

Dear Commissioner Warwick:

This is a brief statement to outline the actuarial status of the Alaska Teachers' Retirement System.

The actuarial valuation which we perform each year with respect to the Alaska Teachers' Retirement System has the following objectives:

- (1) To examine the status of funding of the System.
- (2) To develop contribution rates for each participating employer in the System which are adequate to support the benefits of the System.

Based upon the actuarial method shown in Exhibit I and assumptions shown in Exhibit II, the Employer-State contribution level of 13.64% of covered pay is adequate to support the benefits of the System for fiscal year 1975-76.

The funding status of the System can be shown as follows:

(1) Present value of all benefits earned to the last valuation date (June 30, 1974)	\$173,855,399
(2) Values of assets of the System	\$ 86,656,008
(3) Funding ratio ((2)/(1))	50%

**WILLIAM M.  
MERCER**

Mr. Andrew S. Warwick

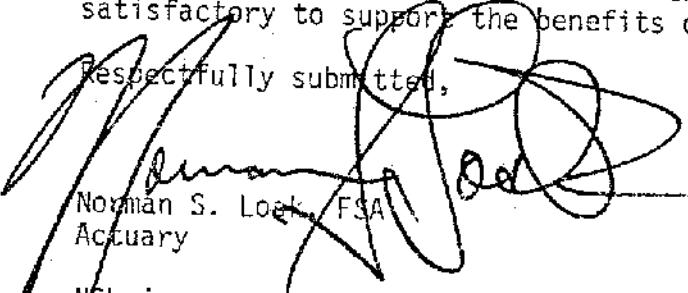
- 2 -

September 27, 1976

This means that the assets of the System are sufficient to cover 50% of the liabilities for benefits earned to the date of the valuation. The level of the funding ratio in and of itself is not so significant as is the progression of these ratios on a year-by-year basis. This funding ratio is lower than that developed in the prior valuation of the System (57%). The primary reasons for this reduction in funding level are the legislated changes in the System enacted in the 1975 Legislative Session.

In summary, my opinion is that, given the changes in the provisions of the System in recent years, the funding progress of the System is satisfactory, and the current contribution levels are satisfactory to support the benefits of the System.

Respectfully submitted,

  
Norman S. Lock, FSA  
Actuary

NSL:jn

Attachments

EXHIBIT I  
ACTUARIAL METHOD

The actuarial method used in this valuation is known as the Aggregate Method. Under this method, the Employer-State cost is determined as follows:

- (1) The present value of all benefits accrued and expected to be earned in the future are calculated, taking into account expected levels of mortality, turnover, disability and investment performance.
- (2) Such present value of benefits is reduced by the sum of:
  - (a) The assets of the fund, and
  - the present value of future employee contributions (including arrearage contributions), taking into account the same items as enumerated above.The remainder is the portion of the present value of future benefits to be funded by Employer-State contributions and is called the "Present Value of Future Contributions from the Employer and the State."
- (3) The Estimated Contribution from the Employer and the State is determined by multiplying the Present Value of Future Contributions for the Employer and the State by a factor which spreads that present value of contributions over 14 years.

(4) The Contribution by the Employer and the State expressed as a percentage of salaries is then determined by dividing the Estimated Contribution by the total Member Salaries used in the valuation.

This method effectively spreads the portion of the total projected present value of benefits to be financed by future Employer-State contributions over 14 years. It has the advantage that the effect of actuarial gains and losses (which arise from actual experience that deviates from the actuarial assumptions used) is automatically spread over this period.

EXHIBIT II  
ACTUARIAL ASSUMPTIONS

1. Investment Yield - 5% per annum.
2. Mortality - According to 1951 Group Annuity Mortality Table rates projected to 1965 by projection "C". (Female mortality same as male mortality with ages set back 5 years).
3. Rates of Separation from Service - See following page.
4. Rates of Disability - See second following page.
5. Rate of Mortality after Disability - According to the 1956 Railway Retirement Board Tables.
6. Rates of Salary Increase - See third following page.
7. Normal Retirement Age - Average of:
  - (1) age 60, and
  - (2) age 55 with 15 years of Credited Service or 8 years of Membership Service; 25 years of Credited Service at any age; or 20 years of Membership Service.
8. Asset Valuation - Adjusted market basis using running three-year average relationship between book and market values.

TEACHERS' RETIREMENT SYSTEM  
STATE OF ALASKA

SEPARATION RATES

ANNUAL RATES PER 1,000 EMPLOYEES

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	165.0	40	100.0
21	162.0	41	95.0
22	160.0	42	90.0
23	158.0	43	85.0
24	155.0	44	80.0
25	152.0	45	75.0
26	149.5	46	70.0
27	146.0	47	65.0
28	142.5	48	60.0
29	140.0	49	55.0
30	137.0	50	45.0
31	132.5	51	35.0
32	130.0	52	25.0
33	127.5	53	15.0
34	125.0	54	5.0
35	120.0		
36	116.0		
37	112.0		
38	108.0		
39	104.0		

TEACHERS' RETIREMENT SYSTEM  
STATE OF ALASKA

DISABILITY RATES  
ANNUAL RATES PER 1,000 EMPLOYEES

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	.70	45	1.62
21	.71	46	1.76
22	.72	47	1.91
23	.73	48	2.07
24	.74	49	2.23
25	.75	50	2.40
26	.76	51	2.60
27	.78	52	2.86
28	.80	53	3.18
29	.82	54	3.56
30	.84	55	4.00
31	.86	56	4.59
32	.88	57	5.34
33	.90	58	6.10
34	.93	59	7.20
35	.96	60	8.43
36	.99	61	9.75
37	1.03	62	11.30
38	1.07	63	13.05
39	1.11	64	14.90
40	1.15		
41	1.20		
42	1.27		
43	1.36		
44	1.48		

TEACHERS' RETIREMENT SYSTEM  
STATE OF ALASKA

SALARY INCREASE SCALE

<u>Age</u>	<u>Scale</u>	<u>Age</u>	<u>Scale</u>
20	.3225	45	.7801
21	.3354	46	.7957
22	.3488	47	.8116
23	.3627	48	.8279
24	.3773	49	.8444
25	.3923	50	.8613
26	.4080	51	.8700
27	.4244	52	.8787
28	.4413	53	.8874
29	.4590	54	.8963
30	.4774	55	.9053
31	.4964	56	.9143
32	.5163	57	.9235
33	.5370	58	.9327
34	.5584	59	.9420
35	.5808	60	.9515
36	.6040	61	.9610
37	.6282	62	.9706
38	.6533	63	.9803
39	.6794	64	.9901
40	.7066	65	1.0000
41	.7207		
42	.7351		
43	.7498		
44	.7648		

TOUCHE ROSS & CO.

510 L STREET, SUITE 600  
ANCHORAGE, ALASKA 99501

September 17, 1976

Board of Directors  
State of Alaska  
Teachers Retirement System  
Juneau, Alaska

We have examined the statement of assets and equity arising from cash transactions of the State of Alaska Teachers Retirement System as of June 30, 1976 and 1975, and the related statement of changes in equity for the years then ended. Our examination was made in accordance with generally accepted auditing standards and included confirmation of the cash and investment accounts at June 30, 1976 and 1975 by direct communication with the depositaries, custodians and servicing financial institutions, and such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned statements present fairly the assets and equity arising from cash transactions of the State of Alaska Teachers Retirement System as of June 30, 1976 and 1975, and the changes in equity for the years then ended on a consistent basis.

*Touche Ross & Co.*

Certified Public Accountants

**STATE OF ALASKA  
TEACHERS RETIREMENT SYSTEM**

**STATEMENT OF ASSETS AND EQUITY  
ARISING FROM CASH TRANSACTIONS**

	<u>June 30,</u>	
	<u>1976</u>	<u>1975</u>
<b><u>ASSETS</u></b>		
Cash	\$ 1,759,647	\$ 1,210,423
Certificates of deposit and savings account	3,043,159	3,396,100
Bonds, notes and debentures:		
United States Government, at cost (market \$43,819,952 in 1976, \$37,807,460 in 1975)	43,707,899	38,260,432
Other, at cost (market \$35,977,801 in 1976, \$15,417,251 in 1975)	35,993,587	15,541,730
Common stocks, at cost (market \$22,468,978 in 1976, \$23,659,190 in 1975)	18,155,722	20,600,586
Real estate mortgages and SBA loans	<u>34,963,368</u>	<u>26,788,042</u>
	<u>\$137,623,382</u>	<u>\$105,797,313</u>
<b><u>EQUITY</u></b>		
Equity	<u>\$137,623,382</u>	<u>\$105,797,313</u>

See accompanying notes.

STATE OF ALASKA  
TEACHERS RETIREMENT SYSTEM

STATEMENT OF CHANGES IN EQUITY  
ARISING FROM CASH TRANSACTIONS

	<u>Year ended June 30,</u>	
	<u>1976</u>	<u>1975</u>
Balance at beginning of year	\$105,797,313	\$ 89,794,395
Additions during the year:		
Employee contributions	11,590,177	9,147,209
Employer and state contributions	19,348,436	11,526,213
Investment income	9,240,962	1,844,773
Interest on members' indebtedness	<u>369,534</u>	<u>297,605</u>
	40,549,109	22,815,800
Deductions during the year:		
Retirement benefits paid	6,390,012	4,574,494
Refunds to terminating members	1,926,610	1,896,434
Administrative expenses	<u>406,418</u>	<u>341,954</u>
	8,723,040	6,812,882
Balance at end of year	<u>\$137,623,382</u>	<u>\$105,797,313</u>

See accompanying notes.

STATE OF ALASKA  
TEACHERS RETIREMENT SYSTEM

NOTES TO STATEMENTS

YEARS ENDED JUNE 30, 1976 AND 1975

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The State of Alaska Teachers Retirement System, established June 30, 1955, is a contributory pension system covering substantially all teachers and employees of the Department of Education and participating school districts.

Investments are stated at cost. Investment income consists of interest, dividends and the gain or loss on disposition of investments, which is the difference between the acquisition cost and the net sales proceeds.

Contributions, interest and dividends, retirement benefits, refunds to terminating members and administrative expenses are recorded when cash is received or disbursed. Deferred discount or premium on mortgages is amortized over the terms of the mortgages.

NOTE B - DESCRIPTION OF THE SYSTEM:

Eligible participants contribute 7% of gross pay to the System. The participants' employers and the State of Alaska jointly contribute an amount which, in addition to participants' contributions, will annually fund estimated current service costs and prior service costs over 14 years.

Participants are entitled to full retirement benefits upon completion of 20 years of Alaska service or at age 55. Vesting occurs over eight years. All retirees receive a minimum monthly benefit of \$20 for each year of credited service. Upon termination member contributions, plus accrued interest, are refundable.

NOTE C - ACTUARIAL METHOD:

The employer contribution rates are determined actuarially on the basis of the aggregate method with supplemental liability.

The actuarially determined unfunded prior service liability, which increased from \$55,800,000 in 1975 to \$81,200,000 in 1976, results from legislation which has reduced retirement ages and retroactively increased benefits.

